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Goldenberg's Absence From Rio Group Meeting Confirmed

PY2305030395 Madrid EFE in Spanish 0015 GMT 23 May 95

[FBIS Translated Text] Lima, 22 May (EFE) — Peruvian President Alberto Fujimori said today that Foreign Minister Efrain Goldenberg will not travel to Quito, Ecuador, where the Rio Group foreign ministers meeting is being held.

The ANDINA news agency reports that after a working visit to the Lima district of Chorrillos, Fujimori confirmed that Goldenberg, who is also Peruvian prime minister, is not attending the foreign ministers meeting being held to prepare for the summit of Rio Group heads of state and government, to be held in Ecuador in September.

The ANDINA report states that because of unspecified "last minute reasons," the trip to Quito, Ecuador for a meeting that Goldenberg had announced he would attend has been cancelled.

Oswaldo Sandoval, the president of the congressional Foreign Relations Committee, reported on 18 May that Goldenberg had informed the committee that same day that he would be traveling to Quito "anyway."

Peru and Ecuador waged an armed conflict on the Peruvian- Ecuadoran border from 26 January to 28 February.

A few days ago, Goldenberg said that an "empty space" at a summit like the one scheduled to be held in Quito "would not be at all beneficial for Peruvian interests," and that "if the Peruvian foreign minister attends this meeting, it does not at all mean he is paying a protocol visit to Ecuador. It is a visit within the framework of the activities of the Rio Group."

Ecuador assumed this year the pro-tempore secretariat of the Rio Group, comprising Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela, and Trinidad and Tobago, which represents the Caribbean countries.

The Rio Group foreign ministers meeting is scheduled to close on 23 May.

Jorge Voto Bernales, the Peruvian Foreign Ministry Political Affairs Department general director, is representing Peru at the Rio Group foreign ministers meeting.

Presence at Quito Meeting Not 'Prudent'

PY2305033295 Lima America Television Network in Spanish 0100 GMT 23 May 95

[FBIS Translated Excerpt] The Rio Group foreign ministers meeting opened today in Quito, Ecuador. Peruvian Foreign Minister Efrain Goldenberg is not attending this meeting because it is believed that his attendance is neither prudent nor suitable.

Peruvian Foreign Ministry sources have reported that the Ecuadoran Foreign Ministry, which is sponsoring the meeting in view of the fact that Ecuador is currently holding the Rio Group pro-tempore secretariat, lacks sufficient credibility. The sources added that this is shown by the fact that foreign ministers from only seven of the 14 Rio Group members are attending the meeting in Quito. Among those absent are the foreign ministers of the Rio de Janiero Protocol guarantor countries.

Although many political issues were discussed, nothing was said about the Peruvian-Ecuadoran border conflict. [passage omitted]

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Cuba

Foreign Minister Robaina Welcomed in Ukraine

PA2005195495 Havana PRENSA LATINA in Spanish 0842 GMT 20 May 95

[FBIS Translated Text] Kiev, 19 May (PL) — Ukraine today welcomed Cuban Foreign Relations Minister Roberto Robaina while stressing its profound gratitude for the Caribbean nation's unprecedented gesture of treating thousands of children who were victims of the Chernobyl nuclear accident.

During a fraternal ceremony at the capital's airport, Ukrainian Deputy Foreign Minister Konstantin Grichenko expressed to Robaina the Ukrainian authorities' gratitude for the extraordinary work Cuban specialists performed to overcome the consequences of the atomic tragedy.

The diplomatic chief of the largest Antillean island today began a three-day official visit to this country by meeting with Supreme Council (Parliament) Chairman Oleksandr Moroz.

The legislative leader sent a message of appreciation to Cuban doctors and President Fidel Castro for the effective and consistent humanitarian gesture of giving specialist attention to more than 12,000 children.

Moroz emphasized to Robaina Kiev's position favoring each nation's sovereign right to choose its own political system and recalled the parliament's recent declaration condemning the U.S. commercial blockade against Cuba.

Likewise, he expressed hope for the strengthening of the economic ties with Havana and reaffirmed his intention to travel to Cuba along with a working delegation to honor the invitation Ricardo Alarcon, National Assembly of the People's Government president, extended.

Meanwhile, Robaina stressed his country's willingness to promote the relations with Ukraine based on traditional bilateral ties and advocated a larger rapprochement, especially between the two legislative bodies.

The Cuban foreign minister tomorrow will follow a hectic agenda as President Leonid Kuchma and Robaina's counterpart, Hennadiy Udovenko, will welcome him. Robaina and Udovenko are expected to sign an important document.

During the second day of Robaina's visit to this capital, he will meet with Ukrainian businessmen and entrepreneurs and will hold a joint news conference with Udovenko.

Robaina's Ukraine Tour Recapped, Russia Visit Previewed

FL2205015495 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 22 May 95

[From the "NTV" newscast]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina has departed Ukraine for Russia, the second leg of a tour that will also take him to Belarus. Robaina aims to strengthen trade and economic ties, as well as broaden bilateral relations, during his tour. This tour of the three Slavic republics, all former USSR members, is the first ever by a Cuban foreign minister [words indistinct] in December 1991 from the USSR.

Cuban and Ukrainian leaders made clear their interest in greater cooperation, which has been limited over the last few years, at the end of the visit. That is the spirit which prevailed during the signing of the promotion and protection of investments agreement. A Ukrainian delegation will soon visit Havana City to discuss areas of common interest. Robaina met Ukrainian President Leonid Kuchma the previous day. Kuchma acknowledged that Cuban-Ukrainian political ties are intense.

EFE reports that NEZAVISIMAYA GAZETA, an independent newspaper in Moscow, is describing Robaina's visit as a milestone in improving Cuban-Russian relations. Robaina will meet Foreign Minister Andrey Kozyrev and other ministers, as well as the presidents of both chambers of parliament and Russian businessmen, during his visit to Russia.

Robaina Meets Russian Legislators, Foreign Minister

FL2305021295 Havana Radio Rebelde Network in Spanish 2300 GMT 22 May 95

[From the "Exclusive" program]

[FBIS Translated Text] Russia and Cuba expressed an interest in strengthening legislative relations during meetings Foreign Minister Roberto Robaina held in Russia with leaders of the Federal Assembly's two chambers.

Robaina thanked Duma President Ivan Rybkin for the Russian parliament's resolution condemning the U.S. blockade and its recent rejection of the Helms-Burton bill, which aims to fortify economic measures against Cuba. Rybkin gave Robaina a broad overview of the current situation in Russia and the political outlook on the upcoming parliamentary elections. Robaina highlighted the voluntary sacrifices the Cuban people have made in an effort to brave the socialist bloc's sudden

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disappearance and the breach of traditional economic and commercial ties that benefited both nations. Rybkin accepted Robaina's invitation to visit Cuba, extended in the name of Ricardo Alarcon, president of the National Assembly of the People's Government.

Robaina also met Vladimir Shumeyko, president of the Council of the Federation, and attended the ceremony held at the Cuban mission honoring national hero Jose Marti on the centennial of his death in combat. Robaina placed a wreath at the Tomb of the Unknown Soldier near the Kremlin.

He met Russian Foreign Minister Andrey Kozyrev, as well as other legislators and businessmen.

[Radio Rebelde adds during the same newscast: "The Russian Federation of Independent Unions has condemned U.S. Senator Jesse Helms' bill aimed at fortifying the blockade of Cuba. A statement signed by Federation President (Mikhail Smakov) expresses the deep concern of millions of Russian workers over the U.S. legislator's proposal to impose new reprisals on Cuba. The union organization statement goes on to say that the bill, described as extraterritorial, could serve as a pretext to intervene in the internal affairs of sovereign states in every region of the planet and violate the civil rights of many individuals."]

Thanks Russia for Vote Against Embargo

PA2205152795 Havana Radio Havana Cuba in Spanish 1300 GMT 22 May 95

[From the "Morning Information Review" Newscast]

[FBIS Translated Text] After meeting with Cuban Foreign Relations Minister Roberto Robaina in Moscow, State Duma President Ivan Rybkin said that Russia hopes to make new friends and never to renounce old ones.

Meanwhile, Robaina thanked Rybkin for the Russian Parliament's vote against the U.S. embargo on Cuba in October 1994 at a UN vote.

In addition, Robaina is expected to meet with Russian Senate leader Vladimir Shumeyko, who once said Cuban President Fidel Castro is a legacy for all mankind.

Russian Officials Assure Robaina of Support

PA2305010795 Havana PRENSA LATINA in Spanish 2051 GMT 22 May 95

[FBIS Translated Text] Moscow, 22 May (PL) — Russia and Cuba have reaffirmed their interest in strengthening parliamentary ties in meetings held today between Foreign Minister Roberto Robaina and leaders of the two houses of the Russian parliament.

The Cuban foreign relations minister thanked State Duma (lower house) Chairman Ivan Rybkin for a resolution that the Legislative Branch issued condemning the U.S. blockade and a recent decision to reject the Helms bill, which is designed to intensify economic sanctions against the Caribbean nation.

Rybkin briefed Robaina on current developments in Russia and the political outlook of the upcoming parliamentary elections.

The Cuban foreign minister underscored the Antillean island's sacrifices and determination that made it possible to counter the effects of the abrupt disappearance of the socialist bloc and the break in traditional economic and trade relations that were mutually beneficial.

Robaina invited Rybkin, on behalf of Ricardo Alarcon, president of the National Assembly of the People's Government (parliament), as well as on behalf of himself, to visit Cuba. In turn, the legislative leader assured that he would do so before autumn.

Later, the chief of Cuban diplomacy met with Vladimir Shumeyko, chairman of the Federation Council (upper house), with whom he had a long exchange of information on the situations in their respective nations.

Shumeyko reaffirmed respect for the sovereign principle that each country has to choose its own fate, and, in this regard, he tacitly rejected U.S. intentions to dictate "the rules of the game for colossal Russia, as well as for small countries such as Cuba."

During the first day of his official visit to this capital, Robaina met with representatives of the Caribbean island and attended the Cuban mission's homage to national hero Jose Marti on the centennial of his death in combat.

This morning, Robaina placed a wreath on the Tomb of the Unknown Soldier, which is adjacent to the Kremlin wall, as part of his visit to Russia, which will also include meetings with his counterpart Andrey Kozyrev and members of the government, parliament, and business sector.

'Straight Talk' on Miami 'Uproar' on Policy

FL2305010995 Havana Radio Rebelde Network in Spanish 1600 GMT 18 May 95

["Straight Talk": Studio discussion between program host Osvaldo Rodriguez, from BOHEMIA magazine;

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Renato Recio, from TRABAJADORES newspaper; and Eloy Concepcion — live or recorded]

[FBIS Translated Text] [Rodriguez] The Clinton government's decision to bring U.S.-Cuban migratory relations in line has clearly caused an uproar in Miami. I should say Clinton's and the Cuban Government's decision, for it was not only Clinton's decision. This has always been on Cuba's mind. The most reactionary of exile circles, which organized disturbances, demonstrations, and marches and issued belligerent statements from exile leaders, are criticizing this decision. I invite you to discuss this uproar in Miami.

[Recio] It seems that the uproar is dying down. There is word of a decision to ease the protests organized not only by exile leaders but also by the annexionist mafia, which lives to lobby [politiqueando] the governments in power and has suddenly found in the migration issue a conflict which seems to have no solution. The mafia is vehemently protesting Cuban and U.S. Government efforts to bring the migration issue in line for it is apparently losing a lobbying [politiquerio] and negotiating stronghold.

Osvaldo, this problem seems to transcend the migration issue. It shows for the first time that the Clinton administration, after practically two years in power, has made its own decision on Cuban policy.

[Rodriguez] It has exercised a certain amount of authority for the first time.

[Recio] This is the first time that Clinton has suspended an outdated policy, which was essentially Bush's policy on Cuba. I do not want to suggest — not even vaguely — that Clinton has changed U.S. policy on Cuba. Clinton continues to talk about the blockade, to tighten the screws, and so forth. Yet, it seems that he is taking steps down a reasonable path, a path which calls for discussion and talks, at least with regards to the migration issue. This approach is clearly gaining the support of influential U.S. circles.

THE WALL STREET JOURNAL, which is not regarded as a leftist or progressive newspaper, recently published a prominent editorial suggesting that the U.S. Government look for other paths on Cuba to follow and end the blockade, repression, attacks, and the ongoing trend of hostility.

[Rodriguez] Pragmatists are clearly looking to bring relations with Cuba in line. It is not that they believe that they are helping Cuba this way but, rather, that they will be able to overthrow the Revolution faster. What do you think, Eloy?

[Concepcion] We must not lose sight of one thing about this issue and the uproar in Miami: There has always been an uproar in Miami, but now they must be careful. They have taken to the streets for the first time, interrupted traffic, and affected the day-to-day lives of U.S. citizens. This is not good for the U.S. Government or Florida. Miami cannot afford to be considered an unsafe city when one of its most important sources of income is tourism.

However, I believe that we can predict an outcome. This situation will lead to the emergence of new leaders — more pragmatic and realistic leaders — in a community which Mas Canosa's mafia has blackmailed and frightened thus far.

[Rodriguez] EFE reports from Miami that the anti-Clinton demonstrations that ultraright circles organized are over. EFE says that thousands of citizens marched through central Calle Ocho — in Miami's so-called Little Havana — on 16 May, protesting Clinton's migration policy. The statements were like those that Jorge Mas Canosa, leader of the right-wing mafia and president of the Cuban American National Foundation, issued. He practically called on Cubans to take to Miami streets to fight for their fatherland.

[Recio] To fight the U.S. Government, too.

[Rodriguez] Of course. They are not going to fight to end the blockade but to reinforce it, to keep Cuban rafters in Guantanamo, and to prevent U.S.-Cuban migratory relations from stabilizing.

[Recio] This relates to what Eloy was just saying. Everything points to a crisis between U.S. Government interests and those of U.S. citizens and the selfish interests of what can be termed ultra-annexationist circles in Miami. It would seem that there is no solution to the crisis or that there is, at least, not an easy solution. Clinton is exercising an anti-immigration policy with bipartisan support in the United States. The United States can no longer accommodate the wave of migrants coming from several different countries, including Cuba.

[Rodriguez] Powers worldwide exercise this policy. The situation is widespread.

[Recio] Although the United States is trying to come up with a solution to this makeshift problem, it would seem that this is one conflict that cannot be resolved. It was clear during a recent traffic blockade...[pauses] People thought there were too many Mercedes-Benz, Jaguars, etc...[pauses] that U.S. citizens....

[Rodriguez, interrupting] Owned by very rich people.

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[Recio] Yes. It was also reported that 10 cars paralyzed traffic on a major avenue. Their actions were not in line with the interests of U.S. citizens, those who were born on U.S. soil and who own the country.

[Rodriguez] It is their fatherland.

[Recio] It is their true fatherland. This kind of thing is unwise. I agree: It seems that there is interest in finding different lead actors and in honest leadership within the Cuban exile community. A character like Mas Canosa, with a personal wealth of hundreds of millions of dollars — a recent poll ranked him the fifth richest Hispanic man in the United States — has certainly not made his fortune by building the fatherland but by making a business out of lobbying [politiqueria] like any other opportunist.

[Rodriguez] You just mentioned leadership. Eloy looked somewhat surprised when I used the term, when I mentioned exile leaders. Why was that, Eloy?

[Concepcion] Different U.S. Governments created this type of so-called leader. Yet, these characters are becoming outdated [les esta llegando el cuarto de hora]. This does not mean...[pauses] Renato used the word tantrum [pataleo]. That is the best word for it. They will lose their power from now on. They still control many businesses. You must first have political exile status or, rather, proof of political persecution to work in Miami. The new U.S. Government policy brings this class of people in confrontation with the U.S. Government.

You just said that Mas Canosa mentioned fighting in Miami streets. Nobody believes him. They do not believe that a multimillionaire would fight — not in Cuba, which I deem impossible — in Miami streets. Native U.S. citizens protested their first fight, when they blocked traffic with their luxury cars. They immediately backed off and tempered their aggressive attitude in the Miami streets.

[Rodriguez] EFE says that the uproar in Miami seems to have abated. Eloy was saying that Mas Canosa will no longer be an influential politician within the exile community, influential because his policy has so far been successful. This is the first time that the U.S. Government has ignored this policy. What do you think?

[Recio] The U.S. Government — that is, Clinton's Democratic government — is in crisis, as terrorist acts and the actions and lobbying of Miami's ultraright sector indicate. However, there is also the Republican Party. Though there is bipartisan consensus regarding the migration problem, it is clear that there must not be consensus on the issue of the U.S. blockade of Cuba. This seems to be the longer lasting element in U.S. policy, as indicated by the Helms-Burton bill. Mas Canosa's followers obviously support this with their souls, hearts, and lives. They agree with Helms, who even said that he would only use the Coast Guard for a full naval blockade of Cuba. Mas Canosa clearly supports this position.

Yet, what will the Republicans do as Clinton's popularity rises? The latest polls show that Clinton's popularity has increased since the Oklahoma incident and since his work on the migration issue. Therefore, Republicans are seeing a more aggressive Clinton. He used to be on the defensive. This position did not help his political future.

People see Clinton taking steps today. He is looking for popularity and votes. We must wait for the Republican response, whether they align themselves or not with a policy that contradicts Mas Canosa's views on the migration problem and its solution.

[Rodriguez] It would be worth predicting the future of the annexationist sector in Miami before the program ends.

[Concepcion] We cannot be optimistic, because they are powerful people. However, there is an obvious trend, a national feeling on the migration problem. The Cuban migration issue in Miami — their big business — is beginning to fade. I believe that this could be the first step toward the end of their business and the Mas Canosa mafia.

[Rodriguez] Thank you.

Spain To Propose EU Cooperation Agreement With Cuba

BR1905141195 Madrid EL PAIS in Spanish 19 May 95 p 32

[Report by Mauricio Vicent: "Spain Will Promote Cooperation Agreement Between EU and Cuba"]

[FBIS Translated Text] Havana — Jose Luis Dicenta, secretary of state for cooperation and Latin America, met in Havana this week with Cuban President Fidel Castro and the regime's chief political leaders. The progress of the process of reforms and the effort which Spain will make when it attains the presidency of the European Union (EU) to reach a cooperation agreement with Cuba — the only country in Latin America which does not have a link of that kind with it — were the main topics of the talks.

In addition, Dicenta expressed his rejection of the Helms-Burton bill, which seeks to intensify and extend the U.S. blockade of the island, and which will soon be debated by the U.S. Congress: "It is a bill which we do not like, since it seems to us illogical and inconsistent with international law." "Moreover," he

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said, "it is contrary to the spirit of negotiation which made it possible to reach the latest migration agreement between Cuba and the United States," assessed by him as "very positive" and "symbolic."

European Official on Meeting With Castro, Lage

FL1905181595 Havana Radio Rebelde Network in Spanish 2300 GMT 18 May 95

[FBIS Translated Text] Emma Bonino, European commissioner in charge of fishing and humanitarian aid, has told reporters she is pleased with the manner in which donations sent to Cuba are distributed. During a visit to Calixto Garcia Hospital, Bonino said this was stressed during a meeting in Havana with the ambassador of countries comprising the European Union, as well as President Fidel Castro and Carlos Lage, vice president of the Council of State.

Bonino added that the humanitarian aid program for Cuba has been very effective and praised the ties established between European nongovernmental organizations and Cuban authorities. In 1994, the European Union sent Cuba $10 million in donations. The aid which has been arriving this year has been distributed to approximately 700 health facilities.

Article Examines Country's Role in Shaping U.S. Policy

PA2105180395 Havana PRENSA LATINA in Spanish 1108 GMT 21 May 95

["Exclusive" article by Julio A. Machin: "Oklahoma, Helms, and a Caribbean Island"]

[FBIS Translated Text] Cuba, which does not stop representing a small island just because it is the largest of the Antillean islands, has the sad historical privilege of being a kind of pivot in the U.S. international relations philosophy.

At the dawn of the northern nation, it was said that the island of Cuba would fall like a "ripe fruit" in its hand, without having the need to link itself to the conflicting interests of other powers of the time, as George Washington had recommended at the end of his presidential term.

However, when U.S. politicians understood that this patient wait went against their pretensions, they hurled themselves at Cuba in what many historians call the first U.S. imperialist intervention in the international arena.

The so-called Spanish-American War was the test of what would be a long list of military campaigns the U.S. Army would conduct throughout an entire century, campaigns that began in Cuba and that has ended, for now, in the Middle East with the war against Iraq.

One century after that conflict, there comes the bill that Republican Senator Jesse Helms is sponsoring. The apparent objective of this bill is to disturb peace and overthrow legally elected authorities without considering basic principles of international law.

Miguel Alfonso, who is the Cuban Foreign Relations Ministry spokesman and a renowned professor of Public International Rights at Havana University, interpreted the spirit of the Helms Bill as the legal destruction of the states' right to sovereignty, self-determination, no intervention, and the inadmissible use of force and economic coercion.

At the Cuban parliament hearing on the Helms Bill, Cuban Culture Minister Armando Hart affirmed that the Oklahoma bombing and Tokyo subway incidents, as well as the Helms bill, are key parts of the new vision the ultra-right wing has of the world and the order that must prevail in it.

Debra Evenson, who works for the New York Law Office of Rabinowitz, Boudin, Standard, Krinsky, and Lieberman, told PRENSA LATINA that "the Helms Law (Bill) goes beyond Cuba." This office is the legal representative of the Cuban Government in Washington.

In the opinion of Evenson, it is logical for the United States to promote a legislation benefiting a minority of Cuban-American politicians, while hampering the interests of many companies in that nation, companies that are interested in Cuba and its potential market.

The socialist character of the Cuban revolution, the deeply rooted anticommunist sentiment of U.S. politicians, and Helms' extremism make Cuba the perfect stage to test a law of this sort without many voices daring to oppose it, she explained.

Questioned on the existence of a law similar to that of Helms in the U.S. legislative system, she maintained that it is a new and unprecedented phenomenon, linked to the current political projection of the ultra-right wing, which is attempting to make itself more noticeable in the national and international arenas.

Experts believe that if the bill is passed, U.S. courts could never be able to render a decision similar to that of the Sabbatino case, because the Judicial Branch operates in terms of the laws congress approves.

In this case, the verdict of the Supreme Court described as legitimate Cuba's nationalization of the properties U.S. citizens owned, because it was a "state action" that international law recognizes.

Attorney Evenson pointed out that in the eventuality that the law goes into effect, "international law violations

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will be legalized," thus setting a dangerous precedent for those nations that have a dispute with the United States.

At least, this is how many countries such as Mexico, Canada, France, and Great Britain have felt. These countries have reacted against this bill, not only because it prohibits trading with a small Caribbean island, but also because of the implications of the "forced transplant" of laws from one state to another.

According to the interpretations of several experts, legally eliminating or reducing the "state action" principle would mean that the governments' sovereign decisions would lose legal force in their relations with the world's first power, which will undoubtedly reinforce its international hegemony.

Meanwhile, Jose Peraza, legal director of the Cuban Foreign Ministry and tenured professor at Havana University, opined that with the Helms Bill, the U.S. Congress would begin legislating not only for its country but also for the rest of the world.

Alexander Watson, U.S. state secretary for inter-American affairs, himself reproached the Helms Bill at the Senate hearings. He contended that international laws do not contemplate the pressure exerted on allies, as stipulated in the aforementioned bill.

Discussions are still open, and hearings keep being postponed. In addition, it was announced that these hearings will be held behind closed doors to be able to speak with more ease and more dispassionaely, without being bothered by those political activists kindred to Helms.

In the opinion of a Cuban Foreign Ministry analyst, this halt in the discussions on the bill stems from the rejection of the international community and the domestic forces opposing the ultraconservative positions.

Beyond any intention, the independence of poor countries seems to once more depend on the sovereignty of the largest Antillean island.

"Rejecting the Helms Law is not only doing justice for Cuba; it is also preventing the institutionalization of the U.S. ultra-right wing and its pursuit of hegemonic objectives," a Cuban lawyer stated.

Mexico's PRI Leader Expresses Solidarity

PA2005195895 Havana PRENSA LATINA in Spanish 0042 GMT 20 May 95

[FBIS Translated Text] Havana, 20 May (PL) — Maria De Los Angeles Moreno, leader of the ruling Institutional Revolutionary Party of Mexico (PRI), who is visiting Havana, sent today a warmhearted message of brotherhood and solidarity to the Cuban people and President Fidel Castro.

On the centennial of the death of Cuban hero Jose Marti, the PRI president stressed the traditional bonds of friendship and fraternity that have united both countries and their people.

The message quotes a phrase by Marti from the historical letter that he wrote before dying to his dear Mexican friend Manuel Mercado, where he asked for Mexico's help in the struggle for the island's independence.

"And Mexico, would it find the effective, sagacious and immediate way of timely helping the one who defends it? Yes, it will, or I shall find it. This is a matter of life or death, there is no place for error," wrote Marti.

That question has a reply today, says Moreno. Mexicans are close to the Cuban people and bound by a long path that identifies us and makes us proud. We were then as we are today, close to our Cuban brothers.

The message concludes by saying that yesterday, with Marti, Mexico and Cuba were brothers in the struggle for independence and national sovereignty.

"Today, with Fidel, Cuba and Mexico are fused in their eagerness to preserve democracy, political self-determination, and the economic freedom of our people," Moreno concluded.

Moreno, the first woman to lead the PRI in more than six decades, arrived yesterday in Havana at the invitation of Cuban authorities and was present today at the activities commemorating this historical event, that took place in the eastern Province of Granma.

Alarcon Reiterates Importance of District Elections

FL2305020095 Havana Radio Rebelde Network in Spanish 2300 GMT 22 May 95

[From the "Exclusive" program]

[FBIS Translated Text] The Pinar del Rio People's Government Provincial Assembly held a public hearing this afternoon, with delegates, deputies, and cadres from several sectors participating. The assembly focused on the negative impact the Helms-Burton bill will have on all Cubans. Ricardo Alarcon, Politburo member and president of the National Assembly of the People's Government, revealed the anti-Cuban measure's principle points and stressed the importance of the nationwide effort to inform Cubans of the bill's meaning. Alarcon pointed out that the Yankee judicial aberration does not challenge a social system but a whole nation, because no Cuban will escape its macabre and inhumane scope.

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Radio Rebelde questioned Alarcon on the forthcoming elections. Alarcon described their start as very positive:

[Begin Alarcon recording] It is very important for us to try to make these elections the best ever. At any rate, it coincides with a time in which the counterrevolution's plans to take over this country and to take all our accomplishments away are manifesting themselves in a grotesque and hideous manner. One of these accomplishments is our people's government system, and the core of the system is the phase in which we find ourselves now. The people themselves are choosing and nominating their candidates. That is why this process — which has gotten off to a good start — should be one of our main political responses to those who are trying to take over our country and trying to take away the Cuban people's right to decide our own destiny. [end recording]

Maria del Concepcion Gonzalez, Cuban Communist Party first secretary in the province, among other cadres, attended the hearing.

Article Views Renewed, Bolstered Trade With Chile

PA2205191295 Havana PRENSA LATINA in Spanish 0844 GMT 22 May 95

["Exclusive" article by Silvio Mendiandua: "A New Chapter in Cuban-Chilean relations"]

[FBIS Translated Text] Havana — The three basic pillars on which current Chilean-Cuban relations rest are respect to self-determination, development of joint investments, and trade.

Six years ago Latin American participation in Cuban foreign trade amounted only to 5 percent. Today, that percentage increased to 40 percent according to statements made to PRENSA LATINA by a high-level Cuban Foreign Ministry official.

This is an indication of Havana's dynamic foreign policy toward the region, particularly due to the bold opening to foreign capital, and at the same time, the receptivity found in countries south of the Rio Grande, the same source said.

In this context and after a lapse of 18 years, links with Chile reached unprecedented levels since the resumption of consular relations in 1991, during the First Ibero-American Summit in Guadalajara.

Chilean investments in the island currently surpass $40 million in citric fruits, shoes, natural fruit juices, wood, and industrial lamps through joint enterprises.

Citric fruit entrepreneurs have said that Cuban fruits have very good international market acceptance and this success has attracted the interest of other Chilean businessmen.

Advanced studies have been made on the creation of joint enterprises for materials used in mining and the manifacture of textiles, with the goal of exporting to Latin American countries and the Caribbean.

There has also been an upsurge in trade, which started out as none in 1991 and today reaches $12 million, which although still low, is an increase over the past four years and has good chances of reaching high levels, according to forecasts by specialists.

Cuba imports from Chile grains, fishmeal, and fruit pulp. Chile purchases from the island lobsters, textiles, electric cables, rum, and cosmetics. Other items currently under consideration are cement, marble, steel and medicines prepared using high technology.

To stimulate this trade there is a $10 million intergovernmental credit that has been granted for the importation of food products.

Likewise, more than 3,000 Chilean tourists visit the island every year and flights between Santiago and Havana have been reestablished as an indication of the resurgence of travel between the two Latin American capitals.

The decision by the Chilean authorities to reestablish relations at ambassadorial level on 7 April is seen in Cuba as a brave step and respect for the island's right to self-determination.

Chilean Foreign Minister Jose Miguel Insulza said on that occasion that the resumption of diplomatic ties with Cuba would make possible an increase in trade and economic flow between the two countries.

Likewise, he recalled that his country has always voted in favor of all UN resolutions against the U.S.-imposed economic blockade on the island.

Insulza explained that full diplomatic relations will allow agreements, that were limited to those possible within consular level relations, to advance .

Both countries have underscored that the new diplomatic ties will help improve the broad spectrum of bilateral ties and improve conditions for regional integration.

The new stage of relations between Cuba and Chile, interrupted in 1973 following the military coup that overthrew socialist President Salvador Allende, also includes cooperation, for which a currently valid economic, technical-scientific, cultural, and sports cooperation agreement exists.

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From the political standpoint, this takes place at a time when the U.S. Senate debates a bill drafted by Senator Jesse Helms aimed at increasing the economic blockade to the island.

The two countries have expressed their wish to develop links of friendship based on equality of rights, respect to sovereignty, and noninterference with the affairs of other states and other principles covered by the UN charter.

Trade Agreement Signed With Algerian Delegation

PA2205135695 Havana PRENSA LATINA in Spanish 0143 GMT 21 May 95

[By Elsy Fors]

[FBIS Translated Text] Havana, 20 May (PL) — Cuban Foreign Trade Minister Ricardo Cabrisas and Algerian Commerce Minister Sassi Aziza today signed a series of agreements that foresees an increase in Cuban exports and the exchange of business delegations.

Vice Minister Orlando Hernandez reported Cuban sales will be carried out in products from the health sector, including medicine, biotechnological products, and medical equipment, as well as from other traditional sectors in bilateral trade.

The document states the intention of reaching an agreement to protect and sponsor investments; and the Algerian party presented a copy of the North African country's investment law. The gesture will be reciprocated by Cuba upon publication of legislation currently in the consultation phase.

The two officials agreed to sponsor the customs concessions negotiations that Cuba and Algeria are currently carrying out within the framework of the Generalized Preference System.

Likewise, the Algerian minister, who has concluded a visit here, issued invitations to Cabrisas and Ernesto Melendez, minister of foreign investments and economic cooperation, to visit his country.

Moreover, the document signed this evening foresees that the two countries' chambers of commerce will review the possibility of creating mixed chambers.

Minister Cabrisas said Algerian businessmen are interested in investing in Cuba, as well as receiving technical assistance from the island, training athletes in various disciplines, and in the public health area.

Moreover, Aziza said there is interest in having Algeria send soccer trainers to organize teams on the island.

The delegation led by the Algerian minister was later welcomed by Carlos Lage, secretary of the Council of Ministers' Executive Committee. The visitors will return to their country tomorrow.

Colombian Delegation Announces 'Promising' Discussions

FL2205143595 Havana Radio Rebelde Network in Spanish 1155 GMT 22 May 95

[From the "Doing Radio" program]

[FBIS Translated Text] Leaders of the delegation of Colombian businessmen, which has ended its visit to Cuba, stated that the visit was an excellent opportunity and had promising results. The officials met over 100 Cuban businessmen during its stay.

Lazaro Mejia, general manager of Proexport, sponsor of the visit, highlighted that two proposals which would benefit both countries were discussed. One of the proposals involves a joint venture to manufacture packaging of pharmaceutical products. The second proposal includes the transfer of Cuban technology to develop an anthracite mine in Colombia.

Mejia stated that these projects were priority issues during the discussions, but they also achieved very positive exchange in other sectors.

Trinidad & Tobago

Editorial Confirms Draper New Foreign Minister

FL2005155295 Bridgetown CANA in English 1504 GMT 20 May 95

[All quotation marks as received]

[FBIS Transcribed Text] Port-of-Spain, Trinidad, May 20, CANA — Following is the text of the editorial in Saturday's EXPRESS newspaper:

"As the drawn out process of making "new arrangements" in the cabinet continued yesterday, the nation could be pictured as holding its breath in hope that this time, Prime Minister Manning would finally get it right. The Manning government, which for so long could do no wrong, which enjoyed such effortless success in endeavours at which its NAR [National Alliance for Reconstruction] predecessor had been confounded has now been thrown on the defensive.

Mr. Manning failed to appear in parliament yesterday afternoon. Expectation that he would report to house on the cabinet changes were disappointed. His no-show compelled the conclusion that cabinet-making reoccupations had overwhelmed all else.

It was a week in which the country welcomed a delegation that had come from Namibia to observe

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the functioning of Trinidad and Tobago democracy. The presence of the Namibians could be regarded as flattering to a country that is often made to feel let down by its style of democratic politics — and especially its politicians.

That Namibians even as people newly launched on the practice of self government, think ours a democracy from which something can be learned is however, instructive. It tells us that in a world scale, Trinidad and Tobago's rating as a self governing republic is a respectable one.

None of this should give any unwarranted degree of comfort to Mr. Manning now embattled and beseiged and the butt of ominous political jokes. Apparently unaided and if anything, ill advised, the prime minister bumbled his way into present difficulties. It would be needless and tiresome to recount the succession of misstatements and/or falsehoods, and ill considered moves that marked the last three weeks. The period culminated in the Knowlson Gift affair, the destabilisation of the Foreign Affairs Ministry, and the need yesterday to appoint the second minister to Knowsley in 12 days.

Welcome Gordon Draper, to foreign affairs, and best wishes. Senator Draper will by present plans of Mr. Manning execute the foreign affairs portfolio in addition to his responsibilities for information and public administration.

The prime minister took the opportunity to redistribute responsibilities among five of his ministers and each of these moves will have to be assessed for what they portend. But the multi portfolio arrangement for Mr. Draper is bound to give rise to questions about how Mr. Manning plans to operate.

Since coming to office, Mr. Draper has been operating as a minister in the office of the prime minister. Mr. Manning's self assertion in foreign affairs — witness his celebrated Hong Kong mission — coincided with the decline in that function and finally the dismissal of the equally self assertive Ralph Maraj. With Mr. Draper taking this new assignment on top of his existing workload, we may well be seeing the final absorption in all but name, of foreign affairs into the prime minister's office.

Meanwhile Mr. Maraj at the end of his vacation is meant to assume the challenging burdens of public utilities in an age of divestment and renewed labour militancy. The nation will remember the valiant struggles in this portfolio of the late Morris Marshall, a minister who had his share of difficulties with Mr. Manning. Best wishes to Mr. Maraj.

Notes Cabinet Changes

FL2005152795 Bridgetown CANA in English 1456 GMT 20 May 95

[All quotation marks as received]

[FBIS Transcribed Text] Port-of-Spain, Trinidad, May 20, CANA — Following is the text of the editorial in Saturday's TRINIDAD GUARDIAN newspaper:

"In announcing the reshuffle of his cabinet yesterday, Prime Minister Patrick Manning revealed as much by the way he did it as by his switching around of portfolios. Instead of using the forum of parliament to declare the composition of his "new cabinet", Mr. Manning chose to inform the nation of his ministerial changes by issuing a brief statement to the press via the fax machine.

Although he did not indicate where or how he would announce it, the country certainly expected that the prime minister would, at least use the forum of parliament to speak not only about his changing around of ministers but even more crucially to address the deep public anxieties which his statements and actions have provoked over the last few weeks.

After all, what other place could be more fitting for this than the nation's parliament? That Mr. Manning has eschewed this forum and has decided instead to issue a short press release by fax seems to indicate that he is either oblivious to the credibility crisis that swirls around his leadership, or that he believes the cabinet changes he has just made should bring an instant end to the raging controvers he has provoked.

The prime minister at least showed enough strategical sense to re-elevate Ralph Maraj to the ministry of public utilities, a move which should undo most of the heavy damage he sustained when he fired Maraj from the Foreign Affairs Ministry two weeks ago. After persistent rumours of a rift between the two, Mr. Manning shocked and dismayed the country by announcing Maraj's dismissal in a broadcast to the country even before informing his minister about it.

Also, Mr. Manning has demoted Senator Russell Huggins from the frontline National Security Ministry to the relatively low level portfolio of social development which formed part of Minister Baboolal's former undertaking. Dr. Baboolal takes over the important Ministry of Health which in the prime minister's opinion, is indicative of her performance as compared to Huggins.

In moving Mr. Eckstein to the National Security Ministry, the prime minister has recognised the understated value of the professional approach that Mr. Eckstein has brought to his very demanding responsibility.

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Having laid the foundation of a revolution in the nation's health service and brought it to an advanced stage of realisation, Mr. Eckstein may be ready for new worlds to conquer.

However, Mr. Manning has failed to address the public and the parliament in the most critical area being debated which is his political and personal credibility. The prime minister seems unable to admit to error and to seek forgivenes from the bar of public opinion for his mistakes which have been compounded over the past two weeks.

His apparent refusal to submit to an act of contrition has, we understand, further alienated his senior government colleagues. Until the prime minister recognises that he owes the country an apology and comes forward with the necessary meaculpas, this whole fiasco will remain like a cancer in the body politic.

It is important for Mr. Manning to understand that the growing unrest, as demonstrated by the massive public protests of daily paid workers, is a symptom of the perceived weakness of the government in power.

All of the government's initiatives to attract investment and to reduce unemployment could be undermined if that fundamental problem of prime ministerial credibility is not successfully addressed.

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Finance Secretariat Denies Proposing VAT Increase

PA2105184595 Mexico City LA JORNADA in Spanish 19 May 95 p 11

[Report by Jose Gil Olmos]

[FBIS Translated Text] In a communique released yesterday, the Finance and Public Credit Secretariat reported that Finance Secretary Guillermo Ortiz "never" proposed to increase the Value-Added Tax [VAT] or any other tax. The Fiscal Advisory Council's work to simplify fiscal regulations was discussed during a meeting that Ortiz, deputies, and senators held on 10 May.

The REFORMA newspaper's report about the possibility of increasing the VAT to nearly 20 percent prompted laughter, uncertainty, uneasiness, and incredulity among PAN [National Action Party], PRI [Institutional Revolutionary Party], and PRD [Party of the Democratic Revolution] senators. Interviewed separately, the three factions' lawmakers refuted the "hint" that a new increase of the VAT would be considered in 30 days.

Only PRI Senator Jose Luis Soberanes appeared cautious and even held the media responsible for "creating uncertainty" by reporting about the proposal, which has not yet become official. After confirming that a behind-closed-doors meeting between the lawmakers and Ortiz had indeed been held, Soberanes said: "In the opinion of the lawmakers who attended the meeting, no argument supporting this increase has been presented yet. I suggest that we wait for a, let us say official, proposal, which we could then consider carefully. The Senate will have to consider this carefully and responsibly before drawing conclusions. Meanwhile, it is important for the public not to speculate, because this would only create uncertainty."

It was not the media, but the finance secretary, who speculated, he was told.

He replied: Agreed, but this was a private meeting. If you people insist, you could draw unrealistic conclusions. I wish to invite the media to treat this matter very carefully because anything that upsets the public can create greater uncertainty and we Mexicans need to recover the confidence that we lost due to our many difficulties.

Plans To Assist Transportation Sector Outlined

PA2105224795 Mexico City LA JORNADA in Spanish 18 May 95 p 49

[Report by Victor Cardoso]

[FBIS Translated Text] The Communications and Transportation Secretariat (SCT) has pledged to support the federal passenger and cargo transportation sector by establishing minimum costs to ensure that fees cover operational costs, by providing soft loans to repair and update the fleet of vehicles, and by eliminating payments for ownership rights as means to strengthen the sector's competitiveness under NAFTA.

Nevertheless, SCT sources said the authorities will in no way tolerate any pressure to postpone the deadline to open Mexico's borders in accordance with NAFTA (this trade pact calls for opening the border states in northern Mexico to international trade as of 1 January 1996).

SCT Secretary Carlos Ruiz Sacristan yesterday announced that he recently sent a memorandum to the federal cargo transportation chambers announcing the establishment of minimum costs, which may be used to establish fees that cover the capitalization of businesses and the maintenance and modernization of equipment. The memorandum also dealt with the status of negotiations to eliminate payments for vehicle ownership rights.

At a news conference, Ruiz Sacristan said these actions will eliminate the threat of a general strike announced by the people authorized to provide federal public transportation.

The SCT secretary said these support measures will improve the transportation sector's economic situation and will include soft loans, mechanisms to increase competitiveness, lower highway tolls, and increased security on federal highways.

Ruiz Sacristan noted that the transportation sector has made demands, which are now under consideration, in three basic areas:

Vehicle ownership rights: These fall under federal jurisdiction, but revenues from payments are allocated to municipalities. Because of this, he explained, this issue must be considered by the Fiscal Coordination Committee, with which the transportation chambers are preparing to meet.

Rates on multiple-lane highways [carreteras de cuota]: The government is working with financial authorities and credit institutions to find a solution.

Establishment of rates: This is a matter that would represent a return to an SCT regulated program, which would be unacceptable because free competition must be maintained. Fair competition will be encouraged by establishing general minimum transportation costs and by providing the transportation sector with guidance in calculating the cost of their services and in establishing rates.

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Later, while leading a swearing in ceremony at the National Chamber of Passenger and Tourist Transportation [Camara Nacional del Autotransporte de Pasaje y Turismo], Ruiz Sacristan announced that two- and three-axle buses will pay the same tolls on all highways. He also said a new rate schedule is under consideration.

Regarding security, Ruiz Sacristan said, "We are going to be very demanding in this area to avoid negligence or practices that may jeopardize passengers."

In general, he said, we are working with government and private institutions to reduce highway tolls, standardize federal and state laws, increase surveillance and security on highways, and resolve the various problems faced by the transportation sector.

Banamex President Interviewed on Economy

PA1905034995 Mexico City EL FINANCIERO in Spanish 16 May 95 pp 1A,1B

[Report by Alicia Salgado]

[FBIS Translated Text] According to Roberto Hernandez, president of the National Bank of Mexico [Banamex] Administrative Council, in a few months U.S. and European financial institutions will either be purchasing or merging with mid-sized Mexican banks. Hernandez said that "over the past few days, there has been a lot of movement by foreigners assessing our potential."

In an interview with EL FINANCIERO, Hernandez predicted that the economic crisis will hit bottom after the next 45 days but that its repercussions, unemployment and declining productivity, will still be "more severe."

The Banamex president commented on the confidence in the current administration's leadership as the government's proposal to handle the crisis has so far been credible, viable, and attainable. The political parties, on the other hand, have been unable to recommend anything that could be described as a concrete alternative.

In reference to the banking system, Hernandez said the biggest immediate challenge faced by all institutions will be to complete the restructuring of their entire credit portfolios in May and June, to establish sufficient reserves to guarantee the solvency of all financial institutions, and to ease liquidity flows to the business sector since economic reactivation will undoubtedly originate from the private sector.

"The quality of bank assets will improve insofar as company assets improve," the banker said, commenting that at this time the banking system must adopt a leadership role to improve liquidity flows through restructuring programs.

He pointed out that banks in particular must support export companies by providing financing in U.S. dollars. At the same time, the banks must recommend the restructuring of all U.S. dollar debts since the globalization process has not abated, and Mexico is still a NAFTA partner. In addition to this, a free trade agreement with Chile is about to be signed, and even though the reactions have not yet been felt, agreements signed with Costa Rica and Venezuela are already in effect.

The country's productive sector must be supported by encouraging a company association process as part of a restructuring program so they can take advantage of benefits offered by the domestic market and changes in the restructuring of the country's balance of payments. They must also be encouraged to look not only toward northern markets but also to the south, where the possibilities are endless.

Hernandez contends that during the next few months the Mexican banking system's foreign debt service and capital repayment problem will "be manageable." Nevertheless, the Banamex president indicated that "although the worst is over, foreign investors and brokers are still upset and apprehensive."

With respect to the political situation, the Banamex president said the leadership displayed by the Mexican Government in the credible, viable, and attainable strategies it has recommended has turned out to be most beneficial.

Stressing that political instability is a "risk inherent to democracy, which must nevertheless be pursued without turning back," the banker said the PAN [National Action Party] and the PRD [Party of the Democratic Revolution] have failed to come up with concrete proposals.

He commented that last week's drastic decline in interest rates must not be construed as a "market distortion," since in retrospect "interest rates also increased too abruptly," and what we are witnessing now is the possibility of falling inflation rates for the rest of the year.

The Banamex president cautioned that the basic confidence crisis that materialized after the devaluation and the financial emergency are still present in the minds of investors and financial institutions. This explains why Goldman Sachs questioned the first quarter financial statements presented by the Mexican financial institutions, including Banamex.

"We are unaware if other banks have done it, but we have asked them for a written rectification of their report. With respect to Banamex, the figures are accurate, and that is why we filed a formal complaint.

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They agreed with our request, and we are awaiting for their written explanation since their oral report was quite confusing." Roberto Hernandez indicated that "their attitude is not surprising since they are quite annoyed, but at the same time aware that they made a mistake. At any rate, the annoyance persists, which is quite human."

The Banamex president said we must be prepared because we are going to keep getting hit. Whatever confidence we are able to regain can be lost in a second, and this is something that takes years of effort by society as a whole to recover." [no opening quotation mark as published]

In this context, Hernandez predicted there will be several mergers and acquisitions of Mexican banks by foreign investors, mainly from Europe and the United States, over the next few months.

"Foreign investors are here. I am not aware of which mid-size companies they are evaluating, but they are doing it. They are visiting and assessing because today's prices and conditions are unique. If they wait until the crisis is over, for the country to recuperate, and for institutional assets to improve, by then it is quite possible that Mexican banks will no longer be interested. They are aware of this, and that is why foreign banks are here now assessing mid-sized Mexican banks," Hernandez commented.

With respect to the political situation, Roberto Hernandez remarked that the advancement of democracy in any society, and Mexico is no exception, entails risks such as those Mexico experienced in 1994, including political assassinations, kidnappings, and the Chiapas issue. With respect to Chiapas, he added: "The solution to this problem should not be sought in the short term since the Zapatists have not yet surrendered their weapons. This is still cause for concern, but it is no longer affecting the financial markets or determining the direction of the economy."

Bancomext To Make Available $10 Billion in Loans

PA2105034295 Mexico City REFORMA in Spanish 18 May 95 p 18A

[Report by Carlos A. Velasquez and Juan Antonio Lara]

[FBIS Translated Text] Monterrey, Nuevo Laredo — Enrique Vilatela Riba, director general of the National Foreign Trade Bank of Mexico [Bancomext], yesterday said the bank will employ a new method to make available an additional $10 billion worth of loans. These loans will be in addition to the already budgeted $11 billion included in the bank's financial program. He said pilot export structuring operations are being carried out, adding that in late June the bank will expand the dissemination of information on these operations. "At the beginning, these operations will amount to $1 billion, but they will gradually increase. We expect them to reach approximately $10 billion," he said. "The availability of additional resources, which are insufficient at present, will be good for enterprises. In addition, the cost of financing will be much lower than that of current operations."

He went on to say that the basic idea is based on the desirability and need to structure financial operations in such a way that the exporters' source of payments is linked to the source of financing. "We are talking about a pool through which we link exporters to a number of foreign importers — an operation in which Bancomext will assume part of the risk and provide part of the funds. In general, however, the idea is for the market to finance operations through this pool," he said.

He continued by saying Bancomext will share risks with domestic banks and that they will all contribute to the pool. This pool will be rated by qualifying agencies, such as Moody's or Standard and Poor's. Securities supported by this pool will then be placed on the international market.

So far this year, Bancomext has approved $3 billion in loans for exporters out of the $11 billion earmarked for 1995 under the bank's financial program.

Monthly Jobless Rate Reaches All-Time High

PA2205011295 Mexico City LA JORNADA in Spanish 18 May 95 p 44

[Report by Roberto Gonzalez Amador]

[FBIS Translated Text] Yesterday, the National Institute of Statistics, Geography, and Information Science (INEGI) reported that the open unemployment rate (TDA) for March reached its highest level ever, leaving nearly 5.7 percent of the nation's economically active population (PEA) without jobs.

The drastic decline in the country's employment rate, which is unprecedented since the current indicators were instituted in 1987, resulted in the fact that unemployment over the first quarter averaged nearly 5.2 percent of all Mexicans capable of taking part in productive activities. The estimates show that PEA joblessness is now affecting nearly 28 million Mexicans.

Economic contraction only served to continue to deteriorate the TDA from levels recorded at the end of last year, therefore, according to INEGI indicators, open unemployment increased from 3.2 percent of PEA during December 1994, to 4.5 percent in January, 5.3 percent in February, and 5.7 percent in March.

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The average TDA of 5.2 percent recorded in the first quarter surpassed the previous historical high of 4.4 percent registered in the first quarter of 1987.

In the section of the report dealing with urban employment, the INEGI pointed out that, as of the end of March, all unemployment indicators were still climbing.

The INEGI report also points out that the so-called general pressure rate [tasa general de presion] increased from 5.9 percent of PEA in the first quarter of last year to 8.9 percent in the same period this year. The general pressure rate includes those workers currently employed but at the same time seeking employment to either change jobs or to pick up an additional job.

In terms of the partial unemployment rate, which measures all unemployed and employed workers who work less than 35 hours per week because of shortages of work, the index reached 7.8 percent of PEA, while in March 1994 it was 5.9 percent.

The INEGI announced that, at the regional level, TDA's reflected regional disparities. For example, an 8.6 percent rate was recorded in Durango, 8 percent in Tampico, 7.9 percent in Monclova, and 7.5 percent in Saltillo. Also, TDA's recorded in the main metropolitan areas exceeded the national average. For instance, a 6.6 percent rate was recorded in Mexico City, 6.3 percent in Monterrey, and 6 percent in Guadalajara.

According to the INEGI report, significant increases in TDA's were also recorded in other metropolitan areas, such as 6.1 percent in Hermosillo, 4.1 percent in Cuernavaca, 4.9 percent in Culiacan, and 4.4 percent in Tuxtla Gutierrez.

Meanwhile, the lowest TDA's logged in the month of March were recorded in Tepic, 1.9 percent; Oaxaca, 1.2 percent; and Acapulco, 1.1 percent.

The INEGI stressed that of the overall number of open unemployed workers registered at the national level, 86.9 percent had some work experience, as opposed to 13.1 percent who did not. On the other hand, the employed population in the third month of 1995 amounted to practically 93.5 percent of the PEA and was distributed by sector as follows:

The service sector employed nearly 38.2 percent of the nation's PEA; commerce, 21.6 percent; manufacturing, 20.1 percent; communication and transportation, 6.6 percent; government, 6.2 percent; construction, 5.2 percent; and "other activities," 2.1 percent.

With respect to the workday, 22.1 percent of the PEA listed an occupation requiring less than 35 hours per week. The main justifications were as follows: normal work week requirements, 67.6 percent; market conditions, 11.3 percent; personal reasons, 7.4 percent; and "other reasons" (vacations, holidays, leave with pay), 13.7 percent.

PRD Unveils Alternative Economic Program To Combat Crisis

PA2205032995 Mexico City XEW Television Network in Spanish 0430 GMT 19 May 95

[From the "24 Hours" newscast]

[FBIS Translated Text] The Party of the Democratic Revolution [PRD] today unveiled its most recent economic proposal to combat the current crisis facing Mexico.

While unveiling the PRD Alternative Economic Program in Mexico City, PRD President Porfirio Munoz Ledo said the party is currently evaluating whether it will return to the political reform negotiating table. Munoz Ledo also insisted that the PRD is awaiting a reply from the government on several unanswered issues in order that the party can arrive at a final decision.

[Begin Munoz Ledo recording] We have issued several proposals to the government, and this is of public knowledge. These suggestions are closely related to the government's own obligations, which are in no way different from commitments established in prior agreements. These agreements are related to providing solutions to tangible post-electoral problems currently affecting the country and which the government has publicly agreed to resolve. With respect to economic issues, most naturally we have proposed the possibility of voting on, and not just debating, the National Development Program in Congress. [end recording]

Munoz Ledo argued that to confront the economic crisis, Mexico needs concrete proposals. He said the PRD will seek the creation of a wide-ranging movement to defend the nation's sovereignty and the economic interests of lower income groups.

In commenting on the PRD's economic proposal, party founder Cuauhtemoc Cardenas noted that the party's recommendations extend beyond the domestic sphere, because they also are designed to influence other Latin American countries.

[Begin Cardenas recording] Mexico, is demonstrating to the world that these neoliberal models have no chance of success if we are to measure success in terms of social improvements, employment opportunities, and general advancements for the majority of the population. [end recording]

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Among other objectives, the PRD Alternative Economic Program calls for defending the nation's sovereignty, reassessing Mexico's relations with the international economic community, seeking sustainable economic growth, and rebuilding the domestic market.

GDP Drops 0.6 Percent in First Quarter

PA1905191095 Mexico City EL FINANCIERO in Spanish 17 May 95 p 24

[Report by Gerardo Flores]

[FBIS Translated Text] During the first quarter of 1995, the gross domestic product (GDP) registered an annual drop of 0.6 percent, after it totaled 3.4 percent with respect to the level reached at the end of the last October-December period, the Secretariat of Finance and Public Credit (SHCP) has reported.

The economic slowdown of the first three months of the year is 0.7-percentage points less than what government authorities of the Action Plan To Strengthen the Agreement of Unity To Overcome the Economic Emergency (PARAUSEE) had predicted.

The information, supplied by the National Institute of Statistics, Geography, and Information Science [INEGI], establishes that in the first quarter, the industrial sector (mining, manufacturing, construction, and electricity) dropped by 0.3 percent.

INEGI said that the manufacturing sector grew by 0.4 percent, even though four of its nine components showed a negative balance, while the others improved.

It was reported that the GDP of the service sector (commerce, restaurants and hotels; transportation, storage and communications; financial services, insurances and real estate, and community, social, and personal services) declined by 0.6 percent.

In contrast, the primary sector (agriculture, livestock, forestry, and fishing) registered a 2-percent positive growth in its GDP.

In its communique, the SHCP stated that the increased number of working days in the first quarter of 1995 compared to the same period last year had a positive effect on the drop of the economy, measured in terms of the GDP.

The agriculture, forestry, and fishing sectors registered a 2-percent growth, while the mining sector declined by 0.2 percent due to a reduced exploitation of crude oil and natural gas, which decreased by 0.9 percent.

Non-oil mining activities increased by 0.6 percent. This dynamics was practically generalized in all branches of the nonoil industry, barring the exploitation of quarries and the extraction of sand, gravel, and clay.

In addition, the GDP of the manufacturing industry rose by 0.4 percent during the aforesaid period. The SHCP added that five of the nine sectors comprising the manufacturing industry registered positive growth, while four declined.

The sectors registering increases in the first quarter of 1995 were: food, beverages, and tobacco (1.5 percent); wood and its byproducts (7.4 percent); publications and periodicals (3.4 percent); chemicals, petroleum byproducts, rubber, and plastic (6.9 percent), and basic metal industries (10.1 percent).

GROSS DOMESTIC PRODUCT First Quarter Annual Percentage Variation

	1994	1995
TOTAL	0.7	-0.6
Livestock, forestry, and fishing	-2.5	2.0
Mining	3.1	-0.2
Manufacturing industry	-2.2	0.4
Construction	3.6	-7.3
Electricity, gas, and water	4.5	6.8
Commerce, restaurants, and hotels	0.1	-4.0
Community, social, and personal services	1.6	-0.2
Transportation, storage, and communications	3.8	3.1
Financial services,insurance and real estate	4.4	3.9
Source: National accounts system, INEGI		

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GDP Evolution in 1995, according to PARAUSEE Percentage variation with regard to preceding year

Period	I	II	III	IV	Total
GDP	-1.1	-3.9	-2.3	-0.6	-2.0

Source: SHCP

Survey Shows Support for Privatization of Pemex

PA2105224695 Mexico City EL FINANCIERO in Spanish 18 May 95 p 33

[FBIS Translated Excerpt] According to a "survey of more than 1,000 people" conducted 10-23 April by economic theory students at the Free Law School, 75.6 percent of the respondents "prefer that areas currently off limits to foreign investment be opened to create jobs," while the other 24 percent of the respondents believe it is better to maintain restrictions on foreign investments.

The metropolitan area respondents, all of whom were between the ages 18 and 60, represented the following educational demographics: 1.4 percent had no education; 48.6 percent had received technical training; and 50 percent had received higher education.

According to the poll, "55.7 percent of the respondents favored reducing the value-added tax to 5 percent and selling Pemex [Mexican Petroleum]." Meanwhile, "44.3 percent agreed with the 15 percent VAT and opposed the sale of Pemex."

Of those surveyed, 17.6 percent identified themselves as professionals or technicians; 34.2 percent said they work in a variety of skilled areas; 32.2 percent were students; and 16.1 percent worked in various other jobs. [passage omitted]

Union Analyzes Social Security Problems

PA2205023295 Mexico City LA JORNADA in Spanish 19 May 95 p 15

["Open letter" issued by Federal District Chapter 33 of the Union of IMSS Employees; date not given]

[FBIS Translated Excerpt] TO PRESIDENT ERNESTO ZEDILLO PONCE DE LEON

TO GENARO BORREGO ESTRADA, GENERAL DIRECTOR OF THE MEXICAN SOCIAL SECURITY INSTITUTE [IMSS]

TO IMSS EMPLOYEES

TO THE GENERAL PUBLIC

DIAGNOSIS OF THE IMSS DIAGNOSIS

A complex ailment is weakening the IMSS, caused by an agent known as bad administration. Its development is encouraged by a hostile environment, which is indifferent to the complaints and reports of its workers.

Many problems are listed in the IMSS Diagnosis as reasons behind the institute's financial troubles. One such problem is having to compensate workers for their misfortune.

The IMSS has a more central role in Mexico's development. Its principles of security and income redistribution do not respond merely to a duty to protect or compensate misfortune. The essence of the IMSS is rooted in the need to have a healthier work force and to improve the health of the population by protecting employees without harming employment.

Over the past few years, employees and union representatives identified significant signs of the institute's serious condition: the lack of budget allocations to fill vacancies; 17,000 positions have been approved and entered onto the payroll, but the funds have not yet been made available. This does not take into account the funds that local authorities are refusing to release to administrators and personnel directors to cover things such as vacation, sick leave, or even leave without pay. This creates heavier workloads, which in turn reduces medical attention for beneficiaries. The IMSS has rejected a union proposal to examine major trends and to update standards of care.

The lack of materials and equipment needed to carry out our daily activities exacerbates the situation. This, in addition to the increased workload, forces personnel to work under conditions of stress and anxiety.

The IMSS recognizes such shortages as a longstanding problem and states the difficulty in meeting the demand. This is why there is a shortage of equipment at the Work Centers and the equipment there is obsolete. It is all 30 to 40 years old and is always out of order because of a lack of maintenance.

In July 1994, Genaro Borrego announced progress in balancing the budget, following the results of the previous year. He spoke of a surplus.

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The number of beneficiaries increased, and the increase in permanent employees was set at 2.16 percent.

Income in 1994 totaled 42.199 billion new pesos. Expenditures were 37.732 billion new pesos with financial reserves of 2.863 billion new pesos.

Several months later, the IMSS Diagnosis expressed concern about the ability to cover future expenses. Apparently, more attention was placed on containing spending than on increasing efficiency.

The IMSS director general's acknowledgment of the institution's lack of funds and the difficulties in providing adequate coverage and quality service in each and every area he addressed suggests a rocky road in terms of economic stability.

In proposing measures to resolve the financial problems, despite the rhetoric about not privatizing the IMSS, the Diagnosis indicated that the only alternative to resolve worsening financial problems of the institution's trust funds is to transfer the financial burden to the beneficiaries. Such is the case of the participative day care centers, retirement funds, and sports units, which undermines the fundamental principles out of which they were created. The last two services, for instance, require payments of 10 and 150 new pesos. These payments, particularly the larger figure, represents a much higher percentage that a worker earning minimum salary would find hard to pay.

For years, we employees have upheld the image of the IMSS by tolerating the increased workloads; working in poor conditions; and improvising and modifying obsolete equipment, with no maintenance or supply support, and we have done so while working under conditions lacking security and hygiene. We have done all of this with the sole intention of meeting the objectives of plans and programs that have no practical purpose.

We hereby state to the beneficiaries that under these working conditions we cannot be held responsible for the institution's financial woes. Moreover, we are not responsible for the lack of medicines and nursing materials, the long wait for appointments with specialists, the cancellation of examinations because of the lack of maintenance of medical or X-ray equipment, or for your being treated while on stretchers or in wheelchairs.

How can they ask for the opinion of the country's workers when they have not even listened to the institution's own employees?

To change the IMSS, we have to fulfill these things. If we want a healthy institution, we must begin by placing greater emphasis on the application of the simplest remedies:

— to fill vacant positions;

— to provide the necessary material resources for our daily activities;

— to provide and modernize medical equipment;

— organized and standard training that responds to the true needs of employees;

— better working conditions through the Security and Hygiene Commissions;

— to provide supplies and tools to conservation personnel;

— reduction of reliable personnel [personal de confianza];

— decentralization of the overall b.

Given that the improvement of the institution is not directly related to the goodwill of the workers but, rather, to the true fulfillment of contract obligations that result in better treatment for rightful claimants, the fulfillment of the aforementioned objectives will guarantee:

— improved quality of treatment to the rightful claimants;

— increased productivity;

— fewer work-related accidents;

— fewer sick leave claims;

— reduced personal expenditures.

Having mentioned the above:

The Labor Union Proposes:

— To consolidate our strengths, such as the excellent medical treatment given by IMSS workers despite the financial difficulties through which we have worked.

— To strengthen the things that are considered weaknesses by giving IMSS employees the necessary equipment to improve the quality of care and increase productivity.

— And to listen to the proposals made by IMSS employees in their dual position as insured IMSS members and employees of the institute, bearing in mind their experience and knowledge of problems in their various workplaces.

In Defense of Social Security!

"Social Security and Economic Welfare of the Workers"

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Chapter 33, Federal District

Chapter Executive Committee

Nurse Magdalena Rodriguez Garcia, secretary general [passage omitted on namelist of union members]

Roundup of Mexican Economic Developments

PA2205173495

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexico monitored through 21 May.

According to a Mexico City, 15 May datelined item, the National Bank of Mexico, Banamex, and the U.S. Wells Fargo Bank today struck a strategic alliance to develop a number of banking products and services. A Banamex communique stated that the two institutions will attempt to capitalize on the existing interaction among their clients within the framework of NAFTA. The alliance will focus on four topics: financing foreign trade and related products for companies that operate within the markets served by each bank, offering financial services geared toward meeting the needs of individuals and companies operating in Mexico and the United States, providing services to each other's clients in their own markets, and establishing a permanent exchange of information, operating processes, and technology. (Mexico City NOTIMEX in Spanish 1806 GMT 15 May 95)

The National Rural Credit Bank has reported that during the first quarter of the year, it granted 833 million new pesos in credits, 554 million new pesos of which represented credit for loans, 66 million new pesos for farm improvement loans, and 213 million new pesos for other types of financing. Regarding credit for loans, 102 million new pesos were allocated for land preparation for the 1995 spring-summer cycle, and another 277 million pesos were allocated to the 1994-1995 fall-winter cycle. In addition, cattlemen loans amounted to 41 million new pesos, and agricultural and industrial loans totaled 76 million new pesos. Finally, the bank granted loans for 213 million new pesos for nontraditional rural activities. (Mexico City EL FINANCIERO in Spanish 15 May 95 p 8)

On 15 May, the Finance and Public Credit Secretariat, SHCP, released a report on Mexico's economic and financial situation during the first quarter of 1995. The report stated that the public balance registered a 8.99-billion new peso surplus, which is 80 percent higher, in real terms, than the surplus obtained in the same period in 1994. In addition, the gross public foreign debt increased from $85.435 billion in December 1994 to $87.541 billion in March 1995. As for the public domestic debt, it increased from 164.653 billion new pesos to 176.673 billion new pesos during the 3-month period. The SHCP also reported that the government's long-term liabilities increased from 92.6 percent in late 1994 to 95 percent by late March 1995. (Mexico City XEW Television Network in Spanish 0430 GMT 16 May 95)

Jose Julian Sidaoui, SHCP under secretary, has affirmed that the value of tesobonos (treasury bonds) held by the public to date is $12.451 billion, which means that the amount of these instruments has decreased considerably. The price of the so-called Brady Bonds increased 34.1 percent in the last seven weeks. Likewise, the exchange rate had increased 21.1 percent by 12 May 1995. Sidaoui explained that despite the achievements of the program to stabilize the financial markets, the real economic sector will not recover immediately. (Mexico City EL FINANCIERO in Spanish 16 May 95 p 6)

According to a Mexico City, 16 May datelined item, National Finance Bank, Nafin, sources on 16 May reported that Nafin collected $273 million in the last month as it sold securities at international markets. Nafin also reported that in the same period, it was able to swap 50 billion Italian liras among European investors and $50 million with Salomon Brothers. (Mexico City NOTIMEX in Spanish 0205 GMT 17 May 95)

Mexican Petroleum, Pemex, has reported that during the first quarter of 1995, Pemex's natural gas imports increased 328 percent, compared to the same period in 1994, as sales went from 47.4 to 203 million cubic feet per day. As for exports of this hydrocarbon, Pemex sold 2.2 million cubic feet a day in February and 4.6 million in March. By contrast, the imports of Pemex products — liquid gas, gasoline, fuel oil, and others — decreased 12.9 percent, as they went from 179,900 to 157,200 barrels a day. Meanwhile, their exports increased by 52.9 percent, as they went from 85,100 to 130,000 barrels a day. Between January and March, Pemex spent $308 million to purchase fuel and gas abroad and earned $192.8 million from its fuel and gas exports. (Mexico City REFORMA 17 May 95 p 22A)

According to a SHCP report, the federal government's tax revenues amounted to 34.7675 billion new pesos during the first quarter of 1995, a 9.8-percent decrease in real terms as compared to the same period in 1994. Tax revenues represented 38.8 percent of the budgeted income. In addition, nontaxable revenues decreased by 48 percent in real terms. These revenues represented 3.9 percent of the budgeted income. During this period, public budget revenues totaled 89.2596 billion new pesos, 34.2 percent of which were oil revenues and 65.8 percent were non-oil revenues. Oil revenues rose

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to 30.5009 new pesos of which 42.5 percent went to Pemex and 57.5 to the federal government. (Mexico City REFORMA in Spanish 17 May 95 p 18A)

The National Bank of Mexico (Banamex) has announced the reduction of credit card interest rates by approximately 20 percentage points as long as its credit card holders honor their financial obligations. Beginning on 16 May, credit card interest rates drop to 73 percent, and the minimum monthly payment drops to 5 percent of the balance. Banamex is charging 6.75 percent on cash advances. (Mexico City EL FINANCIERO in Spanish 17 May 95 p 8)

According to a Mexico City, 19 May datelined item, the Bank of Mexico, Banxico, has paid the securities loans in advance and acquired Treasury Certificates, Cetes, and Federal Government Development Bonds, Bondes, the par value of which total $1.166 billion. Banxico explained that the liquidation was the result of the first offer for the anticipated payment of securities loans over Cetes and Bondes. (Mexico City NOTIMEX in Spanish 1513 GMT 19 May 95)

The National Institute of Statistics, Geography, and Information Science, INEGI, has reported that the illiquidity and the adjustment in consumer spending triggered by the crisis prompted a 20-percent annual drop in real terms of retail sales during March in the country's three largest cities. Meanwhile, retail staff is 3.95 percent less that in March 1994 and salaries dropped 3.2 percent. INEGI also reported that wholesales increased by 7.6 percent in March 1995. Retail sales dropped by 19.1 percent in Mexico City, 25.8 percent in Guadalajara, and 18.5 percent in Monterrey. In addition, wholesales increased in real terms, by 7.7 percent in Mexico City, 6 percent in Guadalajara, and 9.1 percent in Monterrey. (Mexico City LA JORNADA in Spanish 19 May 95 p 50)

Banxico has reported that the balance of circulating currency amounted to 46.052 billion new pesos by 17 May, which is 29 million new pesos less than the figure reported on 16 May. The institution headed by Miguel Mancera Aguayo also reported that the balance of account in domestic currency totaled $188 million new pesos on 17 May. (Mexico City EL FINANCIERO in Spanish 19 May 95 p 7)

According to a Saltillo, 19 May datelined item, Mexican Agriculture Secretary Francisco Labastida said today that Mexico will import more than 7 million tons of basic grains. He added that approximately 300,000 hectares were not sowed during the current agricultural cycle because of the drought that affected several states. (Mexico City NOTIMEX in Spanish 0226 GMT 20 May 95)

According to a 21 May report datelined Mexico City, the World Bank has granted the Government of Mexico City a $50-million credit to restructure its public transportation system. The urban transportation director explained this credit will be repaid by the transportation service concessionaire. The official explained that the restructuring will be realistic and authorities hope to have 15,000 buses to serve Mexico City residents. According to reports, 70 percent of the 18 million people living in Mexico City cannot afford a vehicle so they are forced to use the public transportation system. (Mexico City NOTIMEX in Spanish 2116 GMT 21 May 95)

A Mexico City, 21 May datelined item reports that direct foreign investments in Mexico during the first two months of the year totaled $3.7215 billion. According to the Secretariat of Commerce and Industrial Development (Secofi), 61.4 percent of foreign investments were destined for the service sector, 24.2 percent for the manufacturing, 12.7 percent for commerce, and the remaining 1.7 percent for other sectors. Most of the direct investments came from the United States, with 36.1 percent; India with 30.9 percent; Holland 14.5 percent; and Canada 14 percent. (Mexico City NOTIMEX in Spanish 2218 GMT 21 May 95)

PRI Secretary General Cited on Internal Reform Efforts

PA2305042695 Mexico City NOTIMEX in Spanish 2130 GMT 22 May 95

[FBIS Translated Text] Mexico City, 22 May (NOTIMEX) — Pedro Joaquin Coldwell, secretary general of the Institutional Revolutionary Party (PRI), today asserted that the democratic changes needed in the country include the broadening of channels for increased citizen participation and the consolidation of a political culture of legality and tolerance.

He admitted, "This is a period of both tension and opportunity in furthering the development of democratic institutions in a country such as Mexico, which is a symbol diversity and multiple cultures."

Confronted with such a situation, Coldwell continued, the PRI is reviewing and reaffirming its ideological and social commitments. He reiterated that one of the "main axles" of democratic change is the promotion of new forms of social participation.

Heading a PRI Territorial Movement (MT) [Movimiento Territorial] meeting on the party's internal reforms, the party official asserted that society has shown "great potential" when opportunities within the organization have been opened to society.

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The MT's establishment, consolidation, and work to further internal reforms is "clear evidence" of the vigor that is being imbued in the party's basic institutions to "firmly prepare ourselves for the 21st century with the people's strong support."

Coldwell highlighted that the work being conducted by the MT is very important to the party, considering it is designing programs and strategies for the political-electoral struggle — programs and strategies that correspond to today's world.

He also noted that the MT's organizational structure, work methods, and leadership network are valuable to successfully advancing toward the goal of achieving electoral victories in the various states of the republic. The PRI official said we are experiencing very delicate times in the party's history and in the development of democratic institutions. This is "a period of tension and opportunity within a society featuring a new political culture that is generating greater demands."

Leading Political Parties Debut on Internet

PA2205192295 Mexico City NOTIMEX in Spanish 2251 GMT 21 May 95

[FBIS Translated Text] El Paso, 21 May (NOTIMEX) — This month, the three leading political parties in Mexico surpassed the use of loudspeakers and transcended the geographic limits of the public square as they began to disclose their ideologies via the so-called information superhighway.

In an unprecedented move in Mexico's political history, the Institutional Revolutionary Party (PRI), the National Action Party (PAN), and the Party of the Democratic Revolution (PRD) have entered their statutes, principles, and political platforms onto computer networks.

Ana Maria Alvarez, responsible for managing the Mexican division in Compuserve, told NOTIMEX that these three political parties furnished their ideological information to be disseminated through this company.

In an interview via e-mail, Alvarez said that the ideologies of the Mexican political forces are available to the international community through on-line news services. Compuserve has offered its services in Mexico since 1994.

Since 8 May 1994, some 3 million computer users who have subscribed to Compuserve have access, from any country in the world, to political pronouncements by the PRI, PAN, and PRD; photographs of their leaders and candidates; and even graphs of their particular logotypes.

The electronic files are open to the public and sympathizers of the PRI, PAN, and PRD worldwide have begun to retrieve them from the section assigned to Mexico in Compuserve so that they can be disseminated through Internet, the leading network of computers that links some 20 million people.

At a time when the political propaganda of these groups is distributed through fliers from hand to hand, academicians, researchers, and amateur political analysts can access it from major cities in five continents.

Agustin Navarro, PAN secretary of international relations, disclosed that in coming months his party is considering setting up its own electronic address within Internet as part of its campaign to strengthen its relations with the international community.

Thus, PAN may become the first Mexican political party to set up a database that can be accessed from a distance.

As of this year, Mexico's presence on Internet, the main network that constitutes the information superhighway, has grown geometrically, users of the system told NOTIMEX.

In the last six months, they noted, dozens of "electronic addresses" have been installed within the network, from which universities, public institutions, businesses, and Mexican nationals offer varied information on their country.

Internet makes it possible to obtain, from any corner of the world, the current issues of the Federation's OFFICIAL GAZETTE, the entire text of the Mexican Constitution, and the most recent laws approved by Mexico's legislative chambers.

Last 15 May, the Consulate General of Mexico in New York began to operate an electronic address within Internet, from which it will offer "unprecedented access to information and documents" of that country's government.

It is possible to obtain current public information on Mexico's economic activity and speeches by President Ernesto Zedillo and cabinet members from this address.

This address also offers guidelines on how Mexican nationals can register their children abroad and obtain birth certificates, passports, and other official documents.

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Chamber Approves Federal Telecommunications Law

PA2105043195 Mexico City XEW Television Network in Spanish 0430 GMT 19 May 95

[From the "24 Hours" newscast — passages within quotation marks recorded]

[FBIS Translated Text] The Chamber of Deputies has given final approval to the Federal Telecommunications Law, which the Senate approved in the previous regular session. A total of 336 PRI [Institutional Revolutionary Party] and PAN [National Action Party] deputies voted in favor of the law, while 29 PRD [Party of the Democratic Revolution] and PT [Workers Party of Mexico] deputies voted against it. The law will allow private investment in satellite communications in Mexico.

Independent Deputy Luis Sanchez Aguilar said the law runs against Mexican sovereignty.

[Sanchez Aguilar] "The privatization of satellite communications is not an initiative of Mexico's National Congress. It is an initiative of the U.S. Congress, Capitol Hill, which issued the order in exchange for a $52 billion credit to pay off tesobonos [treasury notes]."

Speaking in favor of the bill, PAN Deputy Apolonio Mendez Meneses said the following:

[Mendez Meneses] "The opening in this sector will result in increased investment, greater efficiency, the promotion of innovation, price reduction, and better service."

The PT said the bill lacks specific details about the defense of the public interest, the control of monopolies, social welfare, and consumer rights. The PRD agreed with this. Deputy Carlos Navarrete had this to say:

[Navarrete] "We believe that if the ambiguities and legal and technical flaws in this bill are not corrected, it could jeopardize our country's sovereignty."

PRI Deputy Eric Rubio Bartel noted that the new law will promote development in Mexico:

[Rubio Bartel] "Our country needs efficient and competitive telecommunications that will promote the nation's development."

Today's debate was characterized by weariness and indifference. While the legislators were discussing the bill at the podium, the deputies in the plenum spent their time talking among themselves without paying close attention to the speakers.

$154 Million Earmarked To Improve Conditions in Chiapas

PA2205000895 Mexico City NOTIMEX in Spanish 0447 GMT 18 May 95

[FBIS Translated Text] Tuxtla Gutierrez, 17 May (NOTIMEX) — This year, the Social Development Agreement (CDS) for Chiapas (southeastern Mexico) will allocate $154 million to improve the living conditions of its inhabitants, Social Development Secretary Carlos Rojas Gutierrez has announced.

Rojas Gutierrez explained that the federal government will contribute $125 million of that amount while the state and municipal governments and the beneficiaries of the program will contribute the rest.

Within the framework of the signing of the agreement, he emphasized that society itself will supervise the proper management of the economic resources through the committees appointed in each community of the state.

In addition, he said the organization will widely publicize how the investments are being used. He also made it clear that the oversight official elected by the assembly will be responsible for managing the investments.

Rojas Gutierrez stressed that Chiapas has regained top priority in the nation in terms of the amount of resources being earmarked by the CDS.

Meanwhile, Chiapas Governor Julio Cesar Ruiz today announced an allocation of more than $52 million to benefit residents in the Chiapas conflict zone. Ruiz stated that 20 social care centers will be set up to meet the demands of Chiapas inhabitants living in 444 communities in the region. He added that this year 75 km of new roads will be built, another 196 km will be repaired, and maintenance work will be carried out along 316 km of roads.

Regarding health, the governor pointed to the creation of 10 rural health centers and seven health centers, as well as the completion of the hospital in Altamirano and the reinforcement of the medical coverage provided by the Guadalupe Tepeyac Hospital. He added that this year, 8,000 homes will also be built in the region of Las Canadas, where repairs will be given precedence.

In terms of actions to strengthen food programs, he said that in 1995 some 315 tonnes of special food will be distributed to 25,000 children ranging from ages one to four. In addition, 387,000 food bundles will be distributed and 24 food shops will be recapitalized. Also, another 124 shops will be opened and 102 mobile food stands will be put into operation.

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Cuba

FMLN Leaders Reject Value-Added Tax Increase

PA2205155995 San Salvador Radio Cadena Sonora in Spanish 1200 GMT 20 May 95

[Report by Mauricio Parada; from the "Sonora Newscast"]

[FBIS Translated Text] The FMLN [Farabundo Marti National Liberation Front] Political Commission said on Friday 19 May that it maintains its position against an increase in the Value-Added Tax [VAT], because it is unfavorable for the population.

FMLN Coordinator Salvador Sanchez Ceren said the political organization maintains its position against a VAT increase; and he emphasized that the excuses presented by the government are not valid.

[Begin Sanchez recording] We have continued to examine and evaluate the government's request to increase the VAT. The FMLN has reached the conclusion that we will not support the government plan to increase the VAT. We will continue to do whatever is necessary so this unfair increase does not occur. In fact, we want to ask the government to explain what the real reasons are for the VAT increase — because the government stubbornly insists on the increase despite overwhelming opposition.

We also want to deny that this increase is basically due to the peace accord problems. First, the peace accords do not involve a gift for any of its beneficiaries. The beneficiaries have acquired a debt; it is like a loan. The government has received donations, and those donations are being given to former fighters, in the form of credits. [end recording]

The VAT might be increased by four points, based on a proposal from Finance Minister Manuel Enrique Hinds and the government of the republic. The situation has caused dissatisfaction among various sectors of the country.

Moreover, FMLN leader Shafik Handal explained that a four-point increase to the VAT would be adverse for small enterprises because international and transnational companies would corner the national market.

[Begin Handal recording] One wonders why the hell they are bringing up the fiscal deficit. This proves what Leonel said — the true reason, the real purpose for the VAT increase is to sponsor the economic plan that has been rejected by a majority in the country. What they will do is abolish customs tariffs, and this will create a problem in the country — the bankruptcy of most small enterprises. Minister Hinds said only the unproductive ones, only the unfeasible ones will go bankrupt, but this cannot be! Most of the enterprises — small agricultural, commercial, and industrial enterprises — are not feasible in an unfair competition with the transnationals.

Expenses dealing with the pledges assumed with demobilized FAES [Salvadoran Armed Force] members are not included in the peace accords. You may recall all the government's rhetoric — that the demobilized fighters' demands were not legitimate because they were not part of the peace accords. On that occasion they wanted us to issue a joint declaration stating they were not part of the peace accords, and we told them: They are not part of the peace accords but they are reasonable. Meet those demands because they represent a social problem and meet them with the government's normal programs in all the areas — transfer of land, credit for housing plans, etc. That was the option they chose.

Why do they now want to include all these financial programs in the list that they have presented? Their idea is to strengthen the argument — it is a false argument — that the VAT is for the peace accords. [end recording]

Likewise, the FMLN condemned the attack that was reportedly perpetrated on the Legislative Assembly facilities. A LAW rocket was fired on the building, but it failed to hit its target. No one knows who may have perpetrated the attack.

Guatemala

Human Rights Director Comments on Request for CIA Report

PA2305002095 Guatemala City Televisiete Television in Spanish 1900 GMT 22 May 95

[From the "Channel 7 News" newscast]

[FBIS Translated Text] Vicente Arranz, director of the Presidential Commission for the Coordination of Human Rights Affairs, has commented on the CIA report on the murders perpetrated in Guatemala at the beginning of the decade.

[Begin recording] [Arranz] We have asked for the report, and, as far as I know, as of today we have not received it. Furthermore, they are not going to give it to us. They will not send anything. We are certain of this, because for them, it would be like opening Pandora's box.

[Unidentified reporter] [Words indistinct]

[Arranz] It is common knowledge that the CIA has interferred not only in Guatemala, but everywhere in the entire world. Not only was the military involved, but also civilians and people from all levels. This knowledge

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is a popular sentiment across the entire world — in America as well as in Europe. [end recording]

Former Minister Denies Journalist's Charges of CIA Ties

PA2305022795 Guatemala City PRENSA LIBRE in Spanish 21 May 95 p 8

[FBIS Translated Text] *It is a secret to no one that the government all countries in the world maintain official relations with the U.S. Embassy, but working with an organization and working for an organization are different things*, General Hector Alejandro Gramajo, a former national defense minister and current presidential candidate for the National Unity Front (FUN) and the Democratic Institutional Party (PID), said yesterday afternoon during an interview at his home in Zone 13 of the capital.

In this way, the retired military officer was reacting to statements by U.S. journalist Alan Nairn, who revealed a list of alleged CIA chiefs who reportedly commanded the Guatemalan Army and cooperated with the Army in carrying out massacres, kidnappings, and other human rights violations from 1977 to the present.

Nairn also accused Gramajo of receiving money from the CIA and being involved in the murders of Myrna Mack and Michael Devine, the massacre in Santiago Atitlan, and in the abuses suffered by Sister Diana Ortiz, because these actions occurred while Gramajo was serving as national defense minister.

Gramajo: Nairn Is a Failure

In an attempt to clarify the situation, the former officer admitted that he has known Nairn since 1981, and he described him as a failure who speaks in half-truths, has sympathized with the insurgency, and, in turn, has attacked the Army and called it murderous.

This individual worked with the Peace Corps and stayed in Guatemala for some time, but he was expelled from the country when it was confirmed that he had ties, or at least sympathized with the subversive movement. Since then, he has discredited the Army and myself, Gramajo added.

To support this, Gramajo showed PRENSA LIBRE a number of articles Nairn has published in the United States and in other countries, including Guatemala, in which he criticizes the Guatemalan Government and Gramajo's tenure as defense minister, but he has always failed to present any concrete or conclusive evidence. One of those articles entitled "The Bureaucracy of Death" was dated 11 July 1986.

It Is Revenge

Gramajo pointed out that his detractor is only seeking revenge against the Guatemalan Government and Army for having expelled him from the country, and this is why he seizes any opportunity to tarnish the name of Guatemala in North America and to block any aid to the country, but by doing this, he is making a fool of himself, because nobody takes him seriously.

Gramajo added, however, that should the government decide to file a defamation suit, he will contribute information he has about Nairn to ensure that an accurate profile of this man comes to light and to make sure that the population has enough information to judge and determine who is telling the truth.

Military Intelligence Officer Testifies in Bamaca Case

PA2205222895 Mexico City NOTIMEX in Spanish 1950 GMT 22 May 95

[FBIS Translated Text] Guatemala City, 22 May (NOTIMEX) — A Military Intelligence (G-2) officer today claimed that missing rebel leader Efrain Bamaca was captured alive by Guatemalan Army soldiers, who reportedly killed another soldier to fake the guerrilla's death.

"(The military) knew the capture was a major achievement, knew they had to keep him alive, and knew they had to find a substitute for him," according to military officer Angel Urizar, who testified yesterday before the Attorney General's Office in the case of the guerrilla leader.

According to the official version of events, Bamaca disappeared in March 1992 following a clash between rebels and the Guatemalan Army.

Urizar emphasized that Bamaca was wounded during the clash, but that he was captured alive, even though the Army feigned his death and passed off the corpse of a soldier, Cristobal Che, as Bamaca's. He also explained that Che, a deserter from the insurgent forces, had joined the G-2 and had served in it for two years.

Urizar said he does not know what ultimately happened to Bamaca, adding that once he caught a glimpse of the guerrilla leader being tortured by soldiers at the Santa Ana Berlin Military Detachment, located approximately 260 km west of the capital.

During his testimony, the G-2 officer asked Guatemalan President Ramiro de Leon Carpio and the UN Mission for Guatemala (Minugua) for protection, because he now fears for his life after having made such revelations about the case. Urizar pointed out that he was

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attacked on 9 May while heading to the Human Rights Ombudsman's Office to testify on the disappearance of the leader of the Rebel Armed Forces (FAR).

Urizar added that Colonels Mario Sosa and Edgar Trejos have full knowledge of Bamaca's whereabouts.

The first person to deny reports that "Bamaca died in combat" was Jennifer Harbury, a U.S. lawyer and wife of the guerrilla, who has claimed that the body the Army produced was not Bamaca's. Harbury has staged protests in this capital and in Washington to demand a resolution to the case of her husband, who was reportedly seen at military garrisons after military forces reported his death.

U.S. Congressman Robert Torricelli claimed Bamaca was captured alive, that the Army tortured him, and that Guatemalan Col. Julio Alpirez ordered his execution. Torricelli also said Col. Alpirez followed orders of the CIA, of which was reportedly an agent.

Defense Minister General Mario Enriquez, however, reaffirmed that the Army never confined Bamaca to any clandestine prison but that he died in combat in March 1992, as a military report stated.

Nicaragua

Demonstrators Damage Foreign Ministry Office

PA2205193795 Managua EL NUEVO DIARIO in Spanish 22 May 95 pp 1, 2

[Report by Moises Castillo Zeas]

[FBIS Translated Text] The Foreign Affairs Ministry's protocol office was seriously damaged when it came under attack at about 1630 [2230 GMT] on Sunday afternoon from firearms, mortars, and homemade bombs.

The incident took place in the afternoon when the coffin of Enrique Montenegro Estrada, one of the three persons killed in the Rubenia incident, went past the offices accompanied by a picket of 20 armed men who attacked the government office.

The windowpanes in the Passport and Protocol section were struck by mortars and at least 10 shots from small arms' fire, which partially destroyed the windows of this government office.

At the time the serious incident took place — supposedly carried out by demonstrators from the "Parrales Vallejos" transport cooperative — only the security personnel were in the building and pulled back to avoid a provocation, Luis Felipe Correa said. Correa is the Ministry's administrative official.

The Passport and Credentials office were damaged the most, with bullet holes and several large windows partially destroyed by the sly attack to protest President Violeta Barrios de Chamorro's administration.

David Silva Narvaez, a public relations official with the Foreign Affairs Ministry, believes the incident is part of the successive attacks against government entities that has taken place over the past few months by groups who are against Executive Branch policies.

Government officials said that Foreign Minister Ernesto Leal will release a statement today as to the Ministry's official position in view of the serious and violent incident the country is experiencing.

Montenegro Estrada's remains were taken to Managua's Eastern Cemetery, amid a hostile march not only against state entities, but also against private [bus] drivers who suffered heavy losses to their vehicles for refusing to join the strike declared by the "Parrales Vallejos" cooperative.

Many Barricades Also Erected

Before the funeral, protesters in Managua's eastern neighborhoods erected numerous paving stone barricades in the area of Villa Progreso and the road to Rubenia, to protest government neoliberal policies.

Managua lived through a weekend of unrest caused by successive attacks on private property and tire burning in several parts of the capital.

Leal Comments on 'Vandalism'

PA2305021595 Managua Radio Nicaragua Network in Spanish 1200 GMT 22 May 95

["Excerpt" of news conference by Nicaraguan Foreign Minister Ernesto Leal in Managua on 22 May; from the "News 2000" newscast — recorded]

[FBIS Translated Text] [Leal] As you are aware, yesterday we sustained — we should not call it an attack but, instead, a case of vandalism here at the Foreign Ministry Building. Fortunately, it was Sunday and public officials were not at work. The building was fired upon, and some bullets shattered glass windows and easily penetrated the wooden partition walls. Some bullets even penetrated my office, where police found six or seven slugs apparently from Makarov pistols. Any of these shots could have taken the highly-valued lives of Foreign Ministry workers.

We are very concerned about this act of vandalism, because we perceive there still are a small number of Nicaraguans who want to continue with the violence of the past. We have denounced this before the proper authorities — namely, the police and Government

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Ministry — and we hope that the guilty parties will be captured and punished according to the law.

The Nicaraguan people [words indistinct] and an act to be totally condemned — an act perpetrated here at the Foreign Ministry Building. The same act which they have committed here could be repeated elsewhere. I believe the Nicaraguan people already have proved that violence has no place in our country. We hope that these acts will not only be condemned, but end once and for all.

The lives of the watchmen were threatened. The watchmen were given instructions not to exchange gunfire with the criminals in an effort not to endanger their lives or the lives of others. They were instructed to retreat. Homemade bombs also were used in this incident, as well as pistols. According to police reports no machine guns or other weapons of that type were used. Nevertheless, investigations continue, and we hope that these acts will end in our country once and for all.

[Unidentified reporter] [Words indistinct]

[Leal] We do not know whether this act was premeditated or spontaneous when the perpetrators came across the government building. Still, no public building ought to be attacked [words indistinct] violent acts, because violence only breeds violence. We have had enough tragic events with what occurred at the Parrales Vallejo Cooperative. This apparently happened at a funeral of one of the dead from that incident. We believe these parties must be found, convicted, and punished according to the laws of the Republic. This must be done to maintain law and order and to ensure that this type of situation never occurs again in our country.

Labor Leader: More Unions To Join Nationwide Strike

PA2305024895 Managua Radio Sandino in Spanish 1200 GMT 22 May 95

[From the "What's Happening?" newscast]

[FBIS Translated Text] Today, 600 workers from Malacatoya, Tipitapa, and San Benito Municipalities, as well as workers from ENEL [expansion unknown], INAA [Nicaraguan Waterworks and Sewer Systems Institute], and Telcor [Nicaraguan Telecommunications and Postal Services Institute], will join the nationwide strike, according to Alejandro Gomez, spokesman for the National Commission for the Defense of the Standard of Living, Property, and Credit. Gomez also announced that several sectors in Boaco, Nueva Guinea, will join the strike, while in Managua the neighborhoods are organizing to stage actions in support of the nationwide strike.

Panama

Foreign Ministry Issues Communique on U.S. Military Bases

PA2205145695 Panama City LA ESTRELLA DE PANAMA in Spanish 22 May 95 p A1

[Report by Emilio Sinclair]

[FBIS Translated Text] A press communique issued last night by the Foreign Ministry reports that "neither Panama nor the United States have stated any interest whatsoever in prolonging the presence of the U.S. military bases in the Canal further than 31 December 1999."

The communique attributes the previous statement to Foreign Minister Gabriel Lewis Galindo, who also pointed out that misleading remarks credited to Senator Jesse Helms had been published in the media whereby he allegedly stipulated that "turning over the canal to Panama was a stupid mistake."

The Foreign Ministry communique stipulates that Gabriel Lewis Galindo had received the original text of Senator Helms' statements, in which instead of saying that turning over the canal had been a "stupid mistake," the senator says instead "a dangerous mistake."

"In consequence" — the Foreign Ministry says — "if Helms did not use the terms originally attributed to him, then there was no such rudeness."

The communique also asserts that the foreign minister has acknowledged that "Helms has his own personal position with respect to the Canal issue, which is well-known by the majority of Panamanians."

Finally, the communique points out that "the United States has all the right in the world to propose an extension of the presence of some military installations in Panama, and at the same time we Panamanians are entitled to evaluate their proposal, replying according to what benefits the country's interests most."

"For the moment, there has been no official U.S. initiative in this direction," the document stipulates, and adds that "the Perez Balladares administration is not interested in requesting an extension of the presence of the bases"... "In any case, everything related to an extension will have to be decided through a plebiscite."

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Foreign Minister Comments on MLAT Approval, U.S. Proviso

PA2305024195 Panama City Circuito RPC Television in Spanish 2300 GMT 22 May 95

[Report by Marcos Castillo from the "RPC Television News" newscast]

[FBIS Translated Text] The Mutual Legal Assistance Treaty [MLAT] does not include amendments; rather, it strengthens the struggle against drug trafficking, the foreign minister has said.

According to Foreign Minister Gabriel Lewis Galindo, the proviso U.S. congressmen have added to the MLAT is a document for their internal consumption, and it will not affect the contents of the original treaty.

[Begin Lewis Galindo recording] Under U.S. legislative procedures, if a senator wants to include an instruction on interpretation, which they call a proviso, he can do so with the understanding that such a proviso will not be included as part of the document that will be exchanged. In other words, this is not part of the treaty. [end recording]

According to Adolfo Ahumada, an adviser to the Foreign Ministry, there is nothing to be afraid of, because our country could do the same thing through the Legislative Assembly.

[Begin Ahumada recording] It is unnecessary to present this U.S.-introduced proviso to the consideration of the Legislative Assembly in the Republic of Panama. Either of the two countries may introduce a proviso independently without having to submit it to the other legislature. [end recording]

According to Olmedo Guillen, an opposition deputy and member of the Drug Commission, the approval of this agreement will facilitate international actions against drug trafficking.

[Begin Guillen recording] I think this will help fight the drug problem in our country. We support anything that will help our country fight drug trafficking and corruption, as well as prevent gunrunning. [end recording]

The MLAT will allow signatory countries to obtain evidence for drug trafficking-related offenses, and it enters into force when both governments exchange the documents. In addition to the United States, Panama has signed a similar treaty with the United Kingdom, while negotiations with Spain will begin in June.

Government, Unions Meet To Discuss Reforms

PA2305041695 Panama City Circuito RPC Television in Spanish 2300 GMT 22 May 95

[From "RPC Television News" newscast — passages within quotation marks recorded; recorded speakers identified by caption]

[FBIS Translated Text] On the eve of the labor strike, representatives of the government, labor, and private sectors gathered around the negotiating table to find a consensus on the reforms to the Labor Code. Workers and businessmen who represent the Labor Foundation met with a government delegation for the first time in an effort to agree on the reforms that must be made to the Labor Code. The so-called three-way dialogue began under the auspices of the National University, Santa Maria la Antigua University, and the United Nations, guarantors of the Bambito Pact.

[Guillermo Fernandez of the National Council of Private Enterprise] "In terms of those who have not yet decided to meet with us, I urge them to sit down with us to reach an agreement. There is no other path. The streets are not the solution. Strikes and work stoppages are not the way."

The strike call by those who disagree with the labor reforms has also brought together those who, in one way or another, oppose the strike.

[Labor Ministry representative Mauro Murillo] "The government did not participate in the first round of talks to explain its position on the issue. Obviously, it had to present its position. For the first time now, the three sectors are discussing the labor problem. Therefore, whatever is agreed here by the three sectors, will be defended by them at the assembly.

[Abel Santamaria of the National Federation of Public Employees Associations] "The basic thing right now is to avoid a confrontation. All sectors opposed to the reforms must approach the negotiating table so that, as Panamanians, we can find the necessary solutions."

Arturo Bronstein, executive director of the International Labor Organization, is also participating in the dialogue:

[Bronstein] "We are not here to teach anything or to tell them what they should do. We are simply here to present our objective point of view, which is neither better nor worse than the viewpoints here, but in many cases it is different. We are here to listen to suggestions and to make, if necessary and if requested, some kind of a proposal for a commitment."

His contribution was deemed very important on the first day of discussions.

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[National University representative Rolando Murgas] "Approximately 10 articles were discussed. They include topics such as the implementation of the Labor Code, vacations, job placement agencies, and temporary contracts."

Meanwhile, National University students carried out their almost traditional closing of the Transisthmian Highway, expressing their opposition to the reforms. Meanwhile, the teachers associations called for a dialogue:

[Teachers union leader Domingo Sanchez] "We are very concerned over the situation facing Panamanian unions, and we call on them to take advantage of the circumstances and sit down and talk."

Classes at public and private schools will maintain a normal schedule tomorrow.

Those involved in the talks expressed optimism, and, at the same time, they deplored the fact that this effort is unable to stop the strike and the terrible repercussions such a strike will have on the economy.

Meanwhile, 39 unions that oppose the Labor Code reforms persist in their intention to suspend job-related activities for 24 hours.

Here is a report filed by Hugo Enrique Famania about the economic and legal implications of this strike:

[Famania] "Former Labor Minister Jorge Ruben Rosas said that the legality or illegality of a strike against the Labor Code depends on legal actions by the enterprises. The enterprises can file suits.

[Rosas] "The labor judge is the competent authority to determine the legality of the strike.

[Famania] "Cesar Martans, also a former labor minister, said he agrees with the need to modernize and make labor-management relations more flexible, but he opposes the changes in direction proposed by the reforms. Despite this, he described the strike as political in nature.

[Martans] "In opinion, it is completely illegal.

[Famania] "The reason: There are two sides in the conflict. However, the two former ministers agree on the lack of legal consequences for those who support it.

[Rosas] "I foresee no great consequences, except for the harm it will do to relations between management and labor and the country's production which will be affected by the interruption of activities for 24 hours.

[Martans] "Since this is a political strike, there is no punishment. Therefore, it would be hard to establish what is applicable to those who get involved in this type of violation.

[Famania] "Businessmen are still issuing calls for calm, but they are clear about the mechanisms that can be applied to those who violate the law.

[Jose Jelensky of the Panamanian Construction Board] "Those who show up for work will be paid. Those who do not show up or who abandon their jobs will not get paid for that day of work.

[Labor leader Genaro Lopez] "The workers know that. Workers never get paid when they are on strike. This is a risk we must assume. This is our sacrifice, but it is also the only option we have to defend our salaries and rights as stated in the Labor Code.

[Famania] "Lopez insists that the strike will begin at 0700 on Tuesday and will end at the same time on Wednesday. At 1030, Porras Plaza will become the gathering point for union members who will be protesting. If successful, analysts feel, the strike will prevent the country's economy from receiving approximately $20 million. Of this, a large sum would correspond to the day of work deducted from those who support the protest. Apparently, this is the only price those who oppose the labor reforms and suspend activities will pay."

Labor Leader: 100,000 Workers To Strike 23 May

PA2205180395 Panama City EL PANAMA AMERICA in Spanish 22 May 95 p A1

[Report by Aquilino Ortega Luna and Juan Manuel Diaz]

[FBIS Translated Text] Genaro Lopez, secretary general of the Single National Union of Construction and Related Workers (SUNTRACS), stated yesterday that some 100,000 workers will participate in the 24-hour strike scheduled for tomorrow. At the same time, he reiterated that members of that organization have been threatened.

Lopez confirmed that some 40 labor and student organizations have confirmed their support of the strike, despite the threats received both from government and businessmen.

The labor leader said the strike will be carried out in view of the government's "refusal" to withdraw the labor code reforms. He said peasant and student organizations have joined the movement against the reforms.

The labor leader said there have been a series of threats received from business sectors to try to forestall the strike, which reportedly will cause $20 million in losses.

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Juan Francisco Kiener, president of the Association of Panamanian Industrialists (SIP), said the strike will have a considerable effect on commercial activities, in view of the economic slump that has occurred in the past months.

Kiener termed the attitude of labor leaders who have called the strike irresponsible, because he feels differences should be solved at the negotiations table.

For their part, student organizations of the University of Panama announced protest actions for today and tomorrow, which include blocking the Transisthmian Highway for two hours to reject the reforms.

Meanwhile, Napoleon Hellington Palacios, secretary of the Union of Chiriqui Land Co. Workers (SITRACHILCO), said everything is ready in that part of the country for tomorrow's strike. He said that the sector of banana exports and student organizations have also stated their support of the reforms. [sentence as published]

Palacios said police security has been tightened in the region, but that tomorrow's strike will be peaceful and that no confrontation is expected.

Meanwhile, the National Federation of Public Employees' Associations (FENASEP) appealed to state workers to support the tripartite dialogue and all concerted efforts with a view to reaching an agreement on the reforms.

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Argentina

Finance Secretary Denies IMF To Be Asked for Waiver

PY2305035895 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2239 GMT 22 May 95

[FBIS Translated Text] Buenos Aires, 22 May (NA) — On 22 May, Finance Secretary Ricardo Gutierrez termed the possibility that the Argentine Government will renegotiate its agreement with the IMF "absolutely false," and asserted that Argentina "has no problem whatsoever" in honoring the commitments signed with that multilateral credit organization.

Gutierrez, who made this statement at the Economy Ministry this afternoon, denied reports published in several Buenos Aires dailies this morning contending that Argentina is renegotiating the conditions established by the IMF agreement and may request a "waiver" [preceding word in English].

The finance secretary emphasized that at present "nobody is either entertaining the idea of reviewing the IMF targets or working to that effect."

Gutierrez was also categorical in noting that "there is so far no problem in meeting the IMF targets" that were agreed upon in March.

Upon being asked about the poor tax collection, Gutierrez replied that "once the situation of banking establishments and the country's finances return to normal, tax revenues will increase. [no end quotation marks as received]

He also confirmed that a "small-scale mission" of IMF experts will come to Argentina in the first week of June to audit the public accounts of the Argentine economic plan.

This mission will be headed by Martin Hardy, a British economist and expert from the IMF, who is ordinarily in charge of auditing Argentine accounts.

Argentina had agreed with the IMF on a fiscal deficit of $1.260 billion in the first quarter, but as our country was only $874 million in the red, it is now in a more comfortable position to meet the target of the second quarter, which is $835 million.

The letter of intent establishes that Argentina should have a $2.745-billion surplus in the second half of the year.

Senate Provisional President Comments on Patents Bill

PY2305033495 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1337 GMT 19 May 95

[FBIS Translated Text] Buenos Aires, 19 May (NA) — In a veiled allusion to Economy Minister Domingo Cavallo — who was inordinately irritated at the Senate's decision to override some articles of the Patents Bill, which the executive branch had vetoed, as he considered it a "bad signal" — Senator Eduardo Menem [Senate provisional president] said: "We do not have to get angry or raise our voices."

He nonetheless denied having been involved in a bitter quarrel with Cavallo over the Senate's vote during a cabinet meeting held on 18 May.

Senator Menem said: "People are always manufacturing reports of that type." This notwithstanding, he conceded that "it is a fact — it is now public knowledge" — that there are differences of opinion between Congress and the Economy Ministry over the controversial legislation.

This is why, he pointed out, "there was precisely a veto of the bill and the Senate's decision to accept some articles that had been vetoed and override others."

The whole process of enacting the Patents Bill led to vitriolic remarks by U.S. Ambassador to Argentina James Cheek, and U.S. Trade Representative Mickey Kantor.

Menem contended that "the fact of the matter is whether we are going to become the object of sanctions for having adopted a certain stance on this subject."

He asserted that "it would be most unfair if sanctions were to be applied against us" because "we believe that we totaly abide by GATT regulations, and the legislation enacted by Congress precisely regulates these aspects."

He mentioned that "the thorniest, the most vexing, question for the United States and other countries" is "the fact that the law will only become effective in the year 2003," adding that "the GATT authorizes an up to 10-year transitional period; hence, we are fully complying" with GATT.

The provisional president of the Senate rejected the hypothesis that the executive branch had "come off badly" in this subject vis-a-vis other countries, where similar things sometimes happen.

To that effect, he noted that "the same thing happens in countries having a long-standing democratic tradition. How many times was (U.S. President Bill) Clinton or (George) Bush, or any other president, unable to have a law passed in Congress, or if they did secure passage,

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the law was not as they would have liked it to be? And yet no one has ever made a great to-do about it."

Menem said: "We are living in a democracy that is becoming more mature, more consolidated, and I always say that we can neither criticize the executive for having vetoed the bill nor accuse it of going against our national interests, as someone said during the election campaign."

He further stated that the executive "has exercised a perfectly valid constitutional right. Likewise, Congress — in this case the Senate — has also exercised a constitutional right, which entailed the partial acceptance of the executive's veto and the overriding of other aspects. This is democracy in full play. We should neither get angry nor shout. After all, this is part of the system of checks and balances."

Menem, who made these remarks this morning, did not rule out the possibility "of agreeing on or changing," some aspects of the legislation.

"We are all interested in striking a healthy balance between the right of inventors and holders of patents on medicines — which is a right that must be protected, and this is why we enacted the legislation — and the right that those medicines be sold at reasonable — not excessive — prices, without monopolies or impositions."

The senator confirmed that "this is the balance we want to achieve with this law. It goes without saying that we may make some changes, some modifications, but we must be very clear about the fact that this is a sovereign decision of the Argentine people, through their representatives, who have seats in Congress precisely for that reason."

By way of example, he concluded by saying that "at GATT, the United States and other countries took six years to reduce agricultural subsidies — which cause us great harm — by 36 percent. Now, if they took six years to reduce subsidies by 36 percent, why could we not also take a certain number of years for this transition period — something which is stipulated in the GATT agreement — that will oblige us to undertake a retooling, a restructuring, while defending consumers' interests?"

Brazil

More Government Control of Sivam Information Suggested

PY1905142995 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 May 95 Section 1 p 11

[Article by Lucas Figueiredo]

[FBIS Translated Text] Brasilia — The Minorities, Environment, and Consumers Defense Committee of the Chamber of Deputies must this week vote on the final report on the investigations of Sivam (Amazon Region Surveillance System).

FOLHA DE SAO PAULO has found out that the document prepared by rapporteur Luciano Pizzato (PFL-PR) [Liberal Front Party-Parana] suggests that the government should exert greater control over ESCA [Automation and Control Systems Engineering] and, if necessary, intervene the company to guarantee the secrecy of information.

ESCA, which has worked on the project since last year, is accused of forging social security contribution receipts which caused the suspension of the signing of the Sivam contract.

Today is the last day for ESCA to present to the government a CND (Negative Debt Certificate) proving that it does not owe money to the social security system. If not, ESCA will be dismissed from the project and another company will have to replace it.

Pizzato's report also recommends the creation of a commission to work within Raytheon — the U.S. company that will supply the equipment — to avoid any leakage of secrets about Sivam.

The report says the SAE (Strategic Affairs Secretariat) should order a check on the equipment foreseen for the project, seeking to keep it technologically updated.

The rapporteur claims the Bank of Brazil should pay the fine ("commitment fee") [preceding two words in English] imposed by the Eximbank for not using the $1.4 billion loan it granted to Brazil.

FOLHA DE SAO PAULO last week revealed that the Bank of Brazil — which is mediating the loan for Brazil before the Eximbank — must pay a $3.2 million "commitment fee" by June.

Pizzato says the Bank of Brazil can pay the fine given that the contract between the bank and the National Treasury includes "high interest rates." The report states that the National Treasury should pay the Bank of Brazil the fine only after the signing of the Sivam contract.

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Pizzato also asks for the creation of a council comprising government and nongovernmental organization representatives to follow up the environmental aspects of the project.

The report also suggests that the government should make greater investments in institutions that will handle the information obtained by Sivam, for example, the Federal Police.

ESCA Seeks Association With Inepar To Save Sivam Contract

PY1905160495 Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 May 95 p 10

[Article by Jorgemar Felix]

[FBIS Translated Text] Sao Paulo — ESCA [Automation and Control Systems Engineering], the company chosen by the Aeronautics Ministry to administer the Sivam [Amazon Region Surveillance System], will transfer its controlling share package to Inepar (Parana Electromechanical Industry). ESCA has decided to sell most of its shares to honor its 7.8 million real debt with the National Social Security Institute, INSS, to save its participation in Sivam.

The term granted by President Fernando Henrique Cardoso for ESCA to pay the first part of its 4.8 million real debt with the INSS expired yesterday. The company managed, however, to extend the deadline for one more day. The Inepar press office confirmed the company's intention to close a partnership deal with ESCA, although the deal is still under study. ESCA also confirmed that Inepar is one of the companies interested in a partnership, adding that it believes that the deal will be made within a few days.

Inepar is not satisfied, however, with government guarantees that ESCA will obtain the $150 million contract. Even though Inepar's name suggests it is a public company, it is one of the largest private holdings in Parana State. Last year its sales amounted to $250 million and this year they are estimated at $1 billion. Its businesses range from imported car dealerships, cable television, electronics, and electromechanical industries.

Inepar purchased part of General Electric, specifically the power measuring instrument division, some years ago. As of last year Inepar increased its profits thanks to a law that forced industries to install capacitors in their machines to reduce electricity consumption. Capacitor manufacturing is one of Inepar's greatest businesses, making it the largest company in this field in Brazil. Capacitor sales prompted a 50 percent increase in the number of Inepar clients since 1993.

Run by businessmen Atiliano de Oms Sobrinho (president) and Mario Celso Petraglia (vice president), Inepar has close links with politicians, especially with influential Planalto Palace advisers like Liberal Front Party President Jorge Bornhausen, who is a friend of the Inepar owners, and Parana Governor Jaime Lerner.

Lawmakers Request Time To Analyze Report on Sivam Project

PY1905233995 Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 May 95 p 10

[Article by Eliana Lucena]

[FBIS Translated Text] Brasilia — The military sector, which is trying to expedite the signing of the Sivam [Amazon Region Surveillance System] contract with the U.S. enterprise Raytheon and ESCA [Automation and Control Systems Engineering], will have to wait to obtain Chamber of Deputies support. On 17 May, during a joint session of the National Defense Committee and the Committee for the Defense of Consumers, the Environment, and Minorities, several lawmakers asked for time to analyze the report of PFL [Liberal Front Party] Deputy for Parana Luciano Pizzato.

Pizzato was the rapporteur of the investigation that the two committees conducted into the Sivam bidding and into the charges pressed by PT [Workers Party] Deputy for Sao Paulo Arlindo Chinaglia. The lawmaker said that ESCA owes 7.8 million reals [R] to the INSS (National Social Security Institute), and that the enterprise might have forged contribution receipts in order to become eligible to participate in the project. In his report Pizatto conditions the signing of the contract "to the need for the financial and managerial strengthening of ESCA" so that the enterprise can honor its debt.

PMDB [Brazilian Democratic Movement Party] Deputy for Sao Paulo Helio Rosa said that the ESCA problem does not involve only the debt, but also a suspicion of fraud against the INSS, which the attorney general is investigating in Sao Paulo. "The government cannot sign a contract in a national security area with an enterprise that may be unqualified," Rosa said.

Partnership

Strategic Affairs Secretary Ronaldo Sardenberg said last week that the government would resolve the ESCA case in seven days. At the request of the Strategic Affairs Secretariat (SAE), the enterprise replaced the executive board members. ESCA has also begun to look for a partner to help it pay the debt it owes to the INSS. The government has ruled out the possibility of replacing ESCA by another enterprise that would absorb some of ESCA's highly specialized technicians. The R1.4 billion

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Sivam project, which the Senate approved at the end of 1994, sets forth that ESCA will be responsible for the informatics network.

During the work by the committees, the deputies listened to statements and visited the places where the Sivam radars would be placed. The radars will monitor the region's airspace and will detect aggression against the environment. Lawmakers are certain of the importance of Sivam, but have demanded restrictions on ESCA.

Deputy Pizzato said on 17 May that in his report he included recommendations that would guarantee, as of now, the permanent monitoring of Sivam. A commission of government technicians might operate with the contracted enterprises in order to control information, security, and possible technology transfer. The rapporteur wants the project under rigorous control, even providing for intervention into the enterprise that will be responsible for the system in order to avoid leaks of information on technology and matters that are considered secret.

Senate Committee Removes 'Pipeline' From Patents Bill

PY1905212195 Rio de Janeiro O GLOBO in Portuguese 18 May 95 p 3

[FBIS Translated Text] Brasilia — The Senate Constitution and Justice Committee (CCJ) yesterday approved a bill regulating the rights and obligations stemming from industrial production; that is, the bill known as the patents bill. The text approved by the CCJ retained all of the points the administration considers to be essential, including the one concerning the time when the new law should go into effect: one year for pharmaceuticals and food items, which cannot be patented in Brazil today; and immediately for all other products. The CCJ also retained the patenting of microorganisms, one of the controversial topics of the bill.

This week the bill will be sent to the Senate Economic Affairs Committee. Pro-government lawmakers hailed the CCJ approval of the bill.

Senator Elcio Alvares (PFL-ES) [Liberal Front Party-Espirito Santo], government leader in the Senate, said: President Fernando Henrique Cardoso is deeply committed to approving a patents law in Brazil. The vote outcome was excellent. We hope to conclude all voting in the Senate by June, when the bill should go back to the Chamber of Deputies, where a last vote is to be taken.

The text recommended by Senator Ney Suassuna (PMDB-PB) [Brazilian Democratic Movement Party-Paraiba], the rapporteur of the bill, excluded the "pipeline" concept — a legal name for retroactive patenting — demanded by the U.S. pharmaceutical industry. The "pipeline" concept would allow, for instance, for a medicine that has been patented and tested for five years in the United States — although not yet marketed — to have its patent retroactively recognized in Brazil. The Senate yesterday eliminated the "pipeline" retroactivity concept. The administration itself was against it. Senator Suassuna explained why.

Suassuna said: It would be as though the law had been approved in 1990, because we would be approving patent and invention licenses for items that have already been used abroad, but which have not yet been patented or marketed in Brazil.

One of the most controversial topics raised during the 17 May vote was the decision as to when the law should go into effect. The opposition — which consisted of Senators Roberto Freire (PPS-PE) [People's Socialist Party-Pernambuco], Lauro Campos (PT-DF) [Workers Party-Federal District], and Esperidiao Amin (PPR-SC) [Progressive Renewal Party-Santa Catarina] — proposed a five-year grace period for cases like microorganisms and pharmaceuticals, but were defeated by a vote of 12 to seven. Suassuna's proposal — that is, the law will go into effect for these items one year after its promulgation — prevailed.

The only change introduced to the text proposed by Suassuna is a provision stating that a new law will clearly define microorganisms, although it will have no effect within the context of the bill. Everyone has already agreed that microorganisms must be patented.

Patents Specialist: New Bill 'Serious Step Backward'

PY2005024295 Sao Paulo AGENCIA ESTADO in Portuguese 2029 GMT 19 May 95

[Report by Milton F. da Rocha Filho]

[FBIS Translated Text] Sao Paulo, 19 May (AE) — Francisco Teixeira, vice president of the Brazilian Association of Pharmaceutical Industries (Interfarma), has studied the patents bill approved by the Senate Constitution and Justice Committee (CCJ). Teixeira charged that the CCJ-approved bill will create conflicts with the agreement approved by Congress that created the World Trade Organization [WTO]. He also charged that it includes provisions that will encourage pirating in the area of trademarks, patents, and business secrets. According to Teixeira, a specialist in the area of patent laws, the CCJ should have abided by legal and constitutional aspects, but the text recommended by

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the rapporteur placed greater emphasis on political and nationalist aspects instead of following legal principles, as does the WTO treaty.

Commenting on the text approved by the CCJ, Teixeira told AE that the situation has gone from bad to worse. He said: "Under the new law, those products protected by foreign patents that had already been introduced into Brazil before the law goes into effect may continue to be sold without any cost by 'forgers.' A forger will be considered a pirate only when he tries to forge new products patented under the new law." Interfarma, which includes the 33 largest international laboratories based in Brazil, accounts for 70 percent of the market. Drawing a comparison with what was done in other countries, Teixeira described as absurd and regressive the decision not to include the patenting of living microorganisms in the bill, leaving it to ordinary law.

In a study conducted for Interfarma, Texeira concisely shows the distortions caused by the CCJ, in the recommendations drafted by Senator Nei Suassuna (PMDB-PB) [Brazilian Democratic Movement Party-Paraiba]:

The CCJ eliminated item XXIII of Article 124, which would have prevented the registration of trademarks similar to internationally renowned trademarks that could not be unknown to the applicant, such as Playboy, Pierre Cardin, Dior, and others.

Paragraph 2 of Article 126 was changed to restrict the concept of widely known trademarks, the registration of which should encompass a broad range of categories, but which can now be protected under only one category. For instance, the names Coca-Cola and Brahma may be freely used outside the framework of beer and soft drinks.

Parallel imports are widely permitted both with regard to trademarks and patents. Thus, if a legitimately licensed trademark is Brazilian, it will have to sustain unfair competition at times from similar items made in Hong Kong, Taiwan, or other places.

Paragraph 1 of Article 143 provided that the owner of a trademark might legitimately justify why he is not using it, for instance, the fact that INPI [National Institute of Industrial Property] or any other organization has not yet authorized the registration or the marketing of the product. The bill now regards the nonuse of a trademark as justifiable only if it is due to an act of God. A powerful pirate could then delay the approval process of a product by claiming that the trademark is not being used, with the intent of registering the trademark in his name.

Article 195 characterizes the crimes of unfair competition, citing among them an employee who divulges the know-how to which he had access by reason of his job, even after having left that job. The Suassuna report limited this responsibility to the time the person remains on the job, thus making it legal to deal in confidential information. Any individual may then sell out to the competition.

The strongest incentive for piracy included in the Suassuna report was the failure to grant protection to those products included in the pipeline process. Pipeline describes a number of products that are being developed or launched in some other country, but which have not yet been introduced into the Brazilian market. Teixeira said: "Well, some Brazilian laboratories want to be authorized to continue to forge these products, too. Some of these products have not even been manufactured yet." In sum, they are trying to create a culture medium for piracy in the future, under the new law."

In short, Texeiria believes that the approval of the Suassuna report represents a serious step backward, and that the resulting text may be considered to be even worse than the bill approved by the Chamber of Deputies in June 1993.

Congressmen Expect Quick Approval of Patents Bill

PY2305022795 Sao Paulo GAZETA MERCANTIL in Portuguese 19 May 95 p A10

[Article by Eliane Cantanhede]

[FBIS Translated Text] Brasilia — The government leaders in Congress not only directly helped draft rapporteur Ney Suassuna's (PMDB-SP) [Brazilian Democratic Movement Party-Sao Paulo] final report about the new patents law, but they also ensured its handling by Congress in record time, up to this point. "The rapporteur is ours," said a government leader, referring to the rapporteur of the Economy Committee, Senator Fernando Bezerra (PMDB-RN) [Rio Grande do Norte].

Cautious, Bezerra neither confirms nor denies this assertion. He nonetheless admits that after four years of discussion in Congress, the bill had more than enough attention from all sectors of society, parties, and interested people in general. "Besides, Suassuna's bill is excellent," Bezerra added.

This may indicate that Bezerra will maintain practically the same text as that approved by the Constitution and Justice Committee (CCJ), which would hasten its approval by the Economy Committee and guarantee that it would be sent to the Senate plenary soon. The government wants the entire approval process of the bill — including the second voting round in the Chamber of Deputies — to be realized by September in order

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to avoid any trade retaliation by the United States as a result of lack of intellectual property rights rules.

As Bezerra said yesterday, he has 30 days to present his approval, a period that can be extended for an additional 30 days. "But if I can present it in 15 days, you can be sure I will," he said. Bezerra has replaced current Rio Grande do Norte Governor Garibaldi Alves Filho in the Senate, and he is also director of the National Confederation of Industry (CNI). His businesses range from civil construction and metalworks to shopping centers and tourism.

The bill approved in the CCJ on 17 May allows the patenting of transgenetic microorganisms (recreated in the laboratory), but only for a specific purpose. It therefore essentially ends or does away with the "pipeline" [preceding word in English] by foreseeing the retroactivity of patents only as of last January, and it establishes a one-year period for the law to come into effect, whereas leftist sectors had suggested a 10-year period.

Cardoso: Attack on Aides in Paraiba 'Unacceptable'

PY2205165795 Sao Paulo AGENCIA ESTADO in Portuguese 1529 GMT 20 May 95

[FBIS Translated Text] Natal, 20 May (AE) — Speaking at a dinner hosted for him in Natal on 19 May by Garibaldo Alves Filho, the Rio de Grande do Norte governor, President Fernando Henrique Cardoso did not conceal his profound irritation over demonstrations staged by the PT [Workers Party] and the CUT [Sole Workers Center] in Recife and Campina Grande, Paraiba State. One lawmaker who attended the dinner said the president remarked that these demonstrations will not stop him from travelling around the country. Referring to a presidential entourage bus that was hit by a stone, Cardoso made it clear he will not tolerate any repetition of the incident. He said: "The CUT and the PT will stop it somehow," adding: "To participate in a demonstration is democratic and acceptable; but to attack and injure people is unacceptable."

The president is scheduled to visit Apucarana, Parana State, on 25 May where — at the invitation of Governor Jaime Lerner — he will dedicate a rural settlement that will serve as a model for agrarian reform. One lawmaker who met with President Cardoso said presidential security will be reinforced and demonstrators will no longer be accorded cordial treatment.

Two of President Cardoso's aides were injured on the evening of 19 May in Campina Grande by flying glass when a stone hit a bus carrying members of the presidential entourage. Ana Tavares, the Planalto Palace chief press adviser, and Presidential Military Aide Major Jose Luis Villaca were slightly injured in the elbow and chest, respectively. President Cardoso declined to comment yesterday on the incident.

The incident occurred at approximately 1830 as the bus was leaving the Embrapa (Brazilian Agriculture and Livestock Research Enterprise) offices in Campina Grande — the largest city in the northeastern region (it has more than 400,000 residents). About 10 minutes after leaving Embrapa, on the way to the airport, a 300 gram stone hit the rear part of the bus and shattered the window beside Tavares, who suffered a slight cut in her elbow. Maj. Villaca, who was seating in the seat in front of Tavares, was hit on the chest by the stone.

It was not possible to identify the person who threw the stone. Despite tight security — in addition to the Military Police, seven truck loads of Army soldiers were deployed to the area — the presidential entourage was harassed all the time in Campina Grande. The anti-government demonstrations started as the presidential bus arrived at Embrapa at about 1620, and continued until after 1900. PT, PC do B [Communist Party of Brazil], and CUT activists shouted slogans against the administration and the constitutional reform, including insults to the president. The demonstrations did not stop during speeches by ministers and the president himself.

Cardoso's visit to Natal, two hours later, went more peacefully. Cardoso and his entourage were booed as they were heading for dinner at the Escola Domestica, where people are taught household chores. Seafood, Brazilian wine, and French champagne were served there.

Chile

President Frei Opens Congress; Refers to Letelier Case

PY2205153995 Madrid EFE in Spanish 2231 GMT 21 May 95

[FBIS Translated Text] Valparaiso (Chile), 21 May (EFE) — Chilean President Eduardo Frei Ruiz-Tagle said today, 21 May, that the final ruling to be issued very soon by the Supreme Court in the murder case of former Chilean Foreign Minister Orlando Letelier will be a test for the maturity of the nation and its leaders.

President Frei made this statement during the 95-minute speech he delivered to the national Congress in Valparaiso, where he rendered an account of his administration as head of government, within his six-year mandate, thus opening the regular sessions of Congress.

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Frei said that the Letelier case is an invitation to contemplation. He also proposed that "our past must no longer be a burden. It must become a sound historical memory that will guide us in preventing similar behavior from being repeated."

The Supreme Court will either ratify or modify the first court ruling issued by Judge Adolfo Banados, who sentenced the former Chilean secret police chief, retired Army General Manuel Contreras, to seven years' imprisonment, and Brigadier Pedro Espinoza to six years' imprisonment.

Both officers have been accused of being the "masterminds" of the assassination of former Foreign Minister Orlando Letelier and his U.S. assistant Ronnie Moffit, who died in Washington D.C. on 21 September 1976, when a bomb blew up the car that the Socialist leader Letelier was driving.

For that crime U.S. courts have already sentenced two Chilean secret police agents: U.S. citizen Michael Townley and former Army Major Armando Fernandez Larios.

Within the international framework, Frei said that his government has made outstanding achievements "simply because the correct direction of our efforts is valued; because we are developing toward a better democracy with full respect for human rights."

He also mentioned the fact that "our economy seeks to become more competitive; and our quality standards in several areas are getting closer to those of a developed nation."

The Chilean president recalled that Chile has joined several world initiatives and has participated in the signing of several agreements.

He cited among them the social development summit held in Denmark, the inclusion into the Tlatelolco and Nuclear Nonproliferation Treaties, the participation as a guarantor country of the 1942 Rio de Janeiro Protocol in the solution to the armed conflict between Peru and Ecuador, efforts to fulfill the Rio Summit agreements on the environment, and the willingness to participate in the UN Security Council.

Eduardo Frei explained that these examples are "evidence of the behavior of a responsible country that is willing to cooperate in resolving regional and global problems."

"Our active international participation has led us to become aware of our ties with Latin America. Surely our political and economic presence in the area has increased. We are actively participating in all the regional forums, and our bilateral relations are increasingly better," the Chilean president said.

He added: "We have solved most of our pending problems with our neighbors. We regret, however, that the ruling on Laguna del Desierto (in dispute with Argentina) was adverse to Chilean interests, and we hope that the legitimate appeals we have submitted will yield positive results."

Frei added that Chile's entry into the international sphere has led the government to promote negotiations in various regions such as the Asia-Pacific Economic Cooperation forum, Mercosur [Common Market of the South], NAFTA, and the European Union.

He added that "the signing of free trade agreements has ensured the entry of our entry into markets that are tending to become true commercial blocs. At the same time, it calls for rigorous demands that will strengthen our competitiveness as a nation."

In the social and economic areas the president proposed to the nation an overall 10 percent increase for all pensioners who earn less than $270 monthly, and an additional average increase of 5 percent to all subsidized education.

To finance these initiatives, Frei said that he will submit to Congress a proposal for a draft bill for an increase of no less than 10 percent in the final retail price of gasoline and of cigarettes.

Colombia

Samper Criticizes U.S. for 'Exaggerated Emphasis' on Drugs

PA2305044295 Paris AFP in Spanish 2017 GMT 22 May 95

[FBIS Translated Text] Quito, 22 May (AFP) — In an interview published in the 22 May edition of Quito's HOY daily, Colombian President Ernesto Samper said, "Colombia recently has not discussed investment, trade, or technical assistance with the United States," adding that "drugs are not the only problem."

Samper stressed, "Reducing the relationship between the two countries to deal exclusively with the struggle against drugs, forgetting that there are other areas of interest, including cultural areas, is dangerous." He added, "The United States cannot risk losing presence in Latin America because of its obsession with the drug problem."

Samper also noted, "U.S. investments in the Andean Region (Bolivia, Colombia, Ecuador, Peru, and Venezuela) have been reduced."

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Samper said, "Colombian trade with Europe has been diversified, despite our desire and interest to increase trade with the United States." He added, "I attribute this not only to the decline in U.S. relations with Colombia, but also with other countries involved in the drug trafficking problem in light of the exaggerated emphasis Washington is placing on the drug issue."

Samper admitted, however, that the drug problem "is worrisome," stressing, "it is a subject we cannot ignore." Samper said, "The production of illegal substances, trafficking, and money laundering associated with this activity have increased."

He added that in the United States "the association between drugs and crime has made it a domestic policy issue."

Samper stressed that for 10 years Colombia has been combating terrorism stemming from drugs, noting that 3,800 policemen, more than 1,000 judges, and 50 journalists have been killed. Now Colombians "want to live their own reality and build a reality of education, employment, and legal crops."

During the interview with journalist Henry Raymont, HOY correspondent in Santa Fe de Bogota, Samper also noted that in the United States there is an "absence of a clear policy regarding the struggle against consumption" of drugs.

"U.S. policies on consumption have ranged between treating drug use as a police problem and a public health problem," Samper said. He added, "The illegal drug business is a police problem, but reducing consumption is a public health problem."

He stressed, "That is where the emphasis should be made, because as long as there is demand for drugs, there will be a supply."

Samper concluded by saying, "Colombia is not trying to shirk its responsibility in controlling drugs supplies. We are courageously assuming this responsibility, but part of the problem is how to also control consumption."

Ecuador

Duran-Ballen Discusses Health, U.S. Document

PA1905204395 Quito Voz de los Andes in Spanish 1700 GMT 19 May 95

[Telephone interview with President Sixto Duran-Ballen in Washington by reporter Marco Antonio Bravo in Quito on 19 May; broadcast in progress; from "The Voz Andes Newscast" — recorded]

[FBIS Translated Text] [Bravo] ...Ecuador and the world. How is your health and what are the checkups you recently underwent?

[Duran-Ballen] Well, thanks for your call, that was very nice of you. I am very well. As you know, I came here 48 hours ago after the doctors at the Military Hospital believed it was better to have a check-up, because in two previous cases, in 1993 and 1994, my back operations were performed here in Washington. They believed it was better if the physicians who had treated me on those occasions verified my condition. Fortunately, everything is good and normal. The fear certain people who were consulted might have had that I might need a another operation has been ruled out. I will not need to undergo another operation. I will probably be returning to the country on 22 or 23 May.

[Bravo] We are really pleased.

[Duran-Ballen] Pardon me?

[Bravo] We are really pleased, Mr. President.

[Duran-Ballen] Thank you very much; you are kind.

[Bravo] We want to ask you about an event that instills hope back here. It is an issue regarding the diplomatic process with Peru. The...

[Duran-Ballen, interrupting] Yes, tell me.

[Bravo] It is about the release of a U.S. State Department secret document, which was drafted one month after the protocol was signed and which acknowledges the existence of geographical mistakes in the Rio de Janeiro Protocol. To what extent could this document, Mr. President, change history or give a new turn to the negotiations?

[Duran-Ballen] Well, this document is very interesting indeed and was previously known only to the State Department. You know of the policy to release documents in the United States; there is a provision stating that secret documents can be released after 50 years. This is what has just happened. The State Department has made public a number of publications dating back from the beginning of the conflict. These documents would confirm the Ecuadoran position that we have been taking all along that there is a geographical reality at the Cenepa Region that differs from the one the protocol mentions. Therefore, in light of this document and this reality to which we have been referring all along, we must seek a fair and equitable solution stemming from the fact that the protocol only stipulated one water division between the Santiago and Zamora rivers. The truth is that there are indeed two divisions — one division between the Zamora and Cenepa rivers and the other between the Cenepa and Santiago rivers. This situation must be considered, and we must seek a fair and equitable solution. I believe that the existence of this document — as you

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rightfully mentioned — opens a new horizon and a new perspective.

[Bravo] Mr. President, have you ordered the use of this document as a legal instrument for subsequent negotiations?

[Duran-Ballen] Well, I believe it is obvious that this and other similar documents that could be appearing from time to time — I am sure other documents regarding this issue will see the light of day — will be used. The issue was handled between 1945, at the end of the war, and 1951, when certain realities were proven. A number of documents regarding the problem have emerged, including opinions from people working for the U.S. Government linked to the process. I am confident that other new documents will emerge. We will do very well if, through all diplomatic channels, we use this document and many others we believe are useful to uphold the Ecuadoran position.

[Bravo] Mr. President, are you happy with the idea of becoming the most astute president, of having the opportunity to go down in history [Duran-Ballen chuckles] for the achievement of a definite settlement under favorable conditions for Ecuador?

[Duran-Ballen] Look, I do not know if I can consider myself astute, as you claim, and I have never done so. I believe I am a relatively sensible person, I am very practical, and I...

[Bravo, interrupting] You have acted astutely.

[Duran-Ballen] Well [chuckles], you want to state that I have acted astutely but I do not know, I have never been called astute. This is the first time someone thinks that. In fact, astuteness is the art of maneuvering and, if there is something I do not have, it is the ability to hide my thoughts. You and any of our listeners will always be able to read my mind. I have never been a person that... [pauses] I have never been able to play poker because you are supposed to have a special kind of face. When I play poker, people know what I am thinking and what kind of cards I have. Thus, when they see I have a good expression, they withdraw. I have never been able to bluff [preceding word in English]. Anyway, going back to the issue, as far as I am concerned, if I can do something to help settle the matter, then I am ready to do so — as I have said on various occasions — and I am ready to assume that historical responsibility. I hope the circumstances allow it. Let us see what happens, above all regarding the guarantors.

Right now, we must realize that these countries... [pauses] we are in the guarantor countries' hands. It all depends on how much initiative they have, how active they are to sponsor a settlement. As long as the guarantors remain as observers, as spectators — as I have said once — and if they fail to adopt an initiative and submit proposals, undoubtedly the two countries will remain as they are, with their respective position, and no progress will be achieved. It is all in the guarantors' hands.

[Bravo] Mr. President, must the Ecuadoran people once more believe this is a now-or-never and we-must-not-recant situation?

[Duran-Ballen] That is right, sir. I think we must all unite once more and maintain the unity recovered in such a fabulous and edifying manner a few months ago. That is why sometimes I worry about people who... [pauses] just remember how people believed that the state of emergency should be lifted a few weeks ago because the situation was over. See how events have proved that, quite the contrary, the situation is still ongoing. Right?

[Bravo] That is right, Mr. President.

[Duran-Ballen] Many Ecuadoreans forget about this reality, and we must all remain alert, wide awake, for whatever may happen and whatever must be done.

[Bravo] We hope that there is a possibility of personally talking to you here in Quito because there are many topics that interest Voz de los Andes' listeners throughout the world.

[Duran-Ballen] Yes, yes.

[Bravo] For the time being, Mr. President, we would like to tell you: May Jesus Christ bless you because the most important thing for us right now is the president's life. The rest is obviously part of normal procedures. Good morning, Mr. President.

[Duran-Ballen] Thank you. You are very kind. I thank you, particularly for your invocation. We certainly have faith in Him, both as a person and as a country. Thank you.

[Bravo] Thank you, Mr. President.

[Duran-Ballen] Thank you for your call.

[Bravo] You are most kind. We have just talked with President Sixto Duran-Ballen.

Spokesman Reports President's Medical Tests 'Acceptable'

PA2005011495 Quito Voz de los Andes in Spanish 2300 GMT 19 May 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Presidential Palace Press Secretary Santiago Aguilar has announced that President

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Sixto Duran-Ballen has undergone preliminary medical tests that have yielded satisfactory results. He noted that Duran-Ballen's physicians dismissed the possibility of additional surgery and that the president will undergo a battery of tests. Santiago Aguilar said the doctors feel the results of the tests are acceptable, and, for this reason, there will be no need for a new operation.

The official explained that tomorrow President Duran-Ballen will undergo another battery of tests. Later, the team of specialists handling his case will meet to make an overall evaluation of all tests and give a final diagnosis. Based on the positive results of the preliminary diagnosis on the president's health, he may return to Quito ahead of schedule, Santiago concluded.

President Leaves Hospital, To Return to Quito

PA2005221895 Madrid EFE in Spanish 2011 GMT 20 May 95

[FBIS Translated Text] Quito, 20 May (EFE) — Ecuadoran President Sixto Duran-Ballen was released today, Saturday, from "Sibley Memorial Hospital" in the United States, where he underwent a series of tests on his spinal column. He will return to his own country on Thursday, according to an official report.

A communique from Carondelet Presidential Palace said Duran- Ballen went to the Ecuadoran Embassy in Washington today where he will remain until 25 May, when he will return to Quito.

On Monday, the Ecuadoran president will undergo outpatient testing at the Washington hospital, where he was admitted last Wednesday. He will undergo another test two days later, before returning to Ecuador, the communique stated.

Before leaving the private U.S. hospital, the president visited four Ecuadoran veterans of the "Cenepa War" who received prostheses to replace limbs that were amputated because of wounds inflicted during the armed conflict between Peru and Ecuador in January and February of this year.

The doctors from the U.S. hospital recommended rest and prescribed medicines to control an inflamed nerve in the president's spinal column. Duran-Ballen is suffering from a "cervical radicular compression" created by pressure in his spinal column, which in turn is causing pain, according to the official report.

Duran-Ballen traveled to Washington on Wednesday in the company of his wife Josefina Villalobos, his daughter Alicia, his secretary, and Ecuadoran Health Minister Alfredo Palacios. This is the second time in six months the Ecuadoran president has traveled to Washington for medical tests following a second operation on his back in November.

Foreign Minister: Rio Protocol Cannot Be Executed

PA2005010795 Quito Voz de los Andes in Spanish 2300 GMT 18 May 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] In an interview with the media, U.S. Ambassador Peter Romero said any negotiations between Ecuador and Peru depend on whether the Ecuadoran Government will or will not invoke a document explaining why the Rio de Janeiro Protocol cannot be executed. Ecuadoran Foreign Relations Minister Galo Leoro noted that the secret U.S. document on the Ecuadoran-Peruvian territorial conflict, which was made public after 50 years, favors the position that the protocol is not executable — a position Ecuador is adopting in our conflict with our southern neighbor.

[Begin Leoro recording] We are maintaining the thesis of the inability to execute the Rio Protocol in terms of the Santiago Zamora divortium in aquarum, which indeed does not exist. This is why we believe the protocol cannot be executed. It is not because we are simply claiming this; it is because it clearly cannot be executed. Moreover, the problem was being addressed in this U.S. document, which came from the State Department and is dated 28 February 1942 — one month after the Rio Protocol was signed. It recognizes that the divortium in aquarum possibly did not exist in Santiago Zamora. This was confirmed in 1947 by a map constructed from aerial photographs, which reportedly was shown to both Ecuador and Peru.

In turn, I want to point out that this is one constant element that is neither a temporary situation nor a whim; this is a geographical reality that the U.S. State Department, which probably had better technological means, information, and maps than those we possessed at that time, confirmed and even foresaw immediately after the Rio Protocol was signed in February 1942. [end recording]

Foreign Minister Leoro refused to comment on the position the United States adopted before and following the signing of the Rio Protocol.

Wants Observers Mission Extended 90 Days

PA2205010795 Quito Voz de los Andes in Spanish 1230 GMT 21 May 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Quito — The Ecuadoran Foreign Ministry has asked the guarantor countries of the

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Rio de Janeiro Protocol to extend for 90 more days the presence of their military observers in Alto Cenepa because of the unstable situation that still exists along the border.

According to a communique issued by the Foreign Ministry, the request was forwarded on 16 May. The communique also referred to the declaration issued by the guarantor countries at the end of a meeting in Brasilia to draft a proposal for the demilitarization of the border. The guarantors expressed their willingness to maintain observers in the disputed areas, if the parties involved agree, but they warned that at this new stage the military representatives from both sides should take a more active role.

Ecuador requested the extension of the observers mission shortly after the last armed clash was reported near the Teniente Hugo Ortiz military post.

Peru

Rio Group Foreign Ministers Begin Meeting in Quito

PY2205185095 Lima Radio Programas del Peru Network in Spanish 1700 GMT 22 May 95

[FBIS Translated Text] The foreign ministers of the Rio Group today began a two-day meeting in Quito to discuss, behind closed doors, an agenda which includes an analysis of Latin American prospects for a single economic and trade block.

Foreign Minister Efrain Goldenberg is not participating in this meeting, and Peru is represented by Jorge Voto Bernales, director general of the Foreign Ministry Political Affairs Department.

The main objective of this meeting is to emphasize Latin American integration with a view to a single and solid position of the region in preparation for the presidential summit of the seven most industrialized nations in July 1995, in Halifax, Canada.

Present at the meeting are representatives of Argentina, Bolivia, Brazil, Colombia, Chile, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad & Tobago, Uruguay, Venezuela, the host country Ecuador, and the Latin American Parliament.

Brazilian Daily Interviews Fujimori

PY2305131395 Rio de Janeiro O GLOBO in Portuguese 21 May 95 p 40

[Interview with President Alberto Fujimori by Sandra Sanches at Government House in Lima on 9 May]

[FBIS Translated Text] [Sanches] You have curbed inflation, decimated terrorism, closed and reopened Congress, rewritten the Constitution, and just been reelected with 64 percent of the votes. What is next?

[Fujimori] I will continue my stability and economic growth program to combat poverty and unemployment over the next five years. That is a basic objective. This is why we still attract national and foreign investments. We will thus have a more stable country with less unemployment.

[Sanches] Your first term in office did not lack spectacular actions and decisive measures. Have these run out or will you continue to surprise the Peruvian people?

[Fujimori] (laughs) There will be no spectacular measures but there will be spectacular results, which is something else. Our economic growth in 1994 was the highest in the world. Our positive results will be big news.

[Sanches] How do you see the country now, five years after you took office for the first time?

[Fujimori] Calm, with security, without problems of violence and with a lot of confidence in the future. Beside this, Peru is attractive for foreign investments. The country is more united. People from all social levels supported me in the elections. There is consensus, unity.

[Sanches] What is it that does not work in Peru?

[Fujimori] The government apparatus still does not work very well. Provincial governments also do not work well. The police do not work well. There are cases of corruption within the judicial branch. The country has improved considerably compared with 1990, but it is still not ideal. There are still bad policemen who violate human rights.

[Sanches] Will this really be your last term in office?

[Fujimori] Naturally. I will step down in 2000. I will not do anything to enable my reelection.

[Sanches] Who is your political heir? Is your daughter Keiko being prepared for this?

[Fujimori] (laughs) There is no way to intentionally prepare her because these things happen naturally. In my opinion, she has great possibilities. She is very young, she studies in Boston and will take her post-graduate course in political sciences. She will step into politics at some time.

[Sanches] Your critics say you were very competent in fighting inflation and terrorism but you do not show the same efficiency in solving unemployment and underemployment. What about the 85 percent of Peruvian workers who are not on the legal labor market?

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[Fujimori] Most Peruvians understand this process. I have just received 64 percent support. Candidates who promised millions of jobs did not have much support. In 1990 we had poverty, unemployment, insecurity, and hyperinflation. Anyone who says the problem of poverty must be solved before that of violence is foolish. Violence scares away investments.

[Sanches] Is it really possible to reduce inflation to a single digit as you promised during your campaign? What is your formula?

[Fujimori] It is possible. Inflation currently stands at 11 percent and will be gradually reduced. The psychological aspect and inflationary pressure have disappeared. We have a fiscal balance and an excellent economic team. That is the formula.

[Sanches] Are the main ideas yours?

[Fujimori] Yes, I dish out a lot of ideas and the economic team attempts to direct them and put them into practice.

[Sanches] How many foreign companies have invested in Peru since you were sworn in? How much does it represent?

[Fujimori] About 20 companies have invested approximately $4.5 billion. This is a record for Peru. There are also some $2 billion worth of assured investments for the next three years.

[Sanches] Mexico was recently affected by a serious crisis caused by the flight of foreign capital. Does the 'Tequila effect' not scare Peru?

[Fujimori] No. It had a very small effect on our stock exchange and the economy. One explanation is that we do not control the exchange rate. It is free. We do not have speculative capital in Peru. There was great speculation in the past, but it has been reduced. Money here is applied to production. It cannot emigrate overnight, as in the case of Mexico.

[Sanches] What has been the new role of the Armed Forces since your inauguration?

[Fujimori] First, the Armed Forces changed their attitude toward the people. Their image underwent a substantial change. The main objective was to enable the people to have confidence in the Armed Forces. The change began when the Army participated in the antiterrorist fight. The people reacted very positively. Another important duty is national defense; currently they are defending the northern area, the border with Ecuador. They also participate in development work.

[Sanches] How?

[Fujimori] It is very simple. The Armed Forces are not just in their barracks. Soldiers build highways, operate power shovels, and work in shantytowns. The people are satisfied and their confidence is increasing. A good image also helps the intelligence service.

[Sanches] How?

[Fujimori] If we know there are terrorism problems in a region, we send soldiers there to work and to gather information. We have done this. There are some critical points, but the possibilities for terrorism to succeed are minimum.

[Sanches] Pictures have been taken of you dressed in Indian clothes, taking a bath in the jungle, and wearing a kimono. Is it important to maintain a populist style?

[Fujimori] I do not consider myself populist. I have a different style of governing. I do not like parties or palaces. I like working close to the people. I seldom dress this way, in a suit and tie. Jeans are my work uniform.

[Sanches] What made you suddenly engage in politics?

[Fujimori] The injustice I saw; the people's suffering. My candidacy in 1990 was a form of rebellion against all that was wrong. I am politically pragmatic. My style is impartial. I like finding practical solutions to problems.

[Sanches] How do you link the antinarcotics fight to the fight against misery?

[Fujimori] There are strong links. If poverty persists in the Andean region, the production of coca increases because it yields money. Yet since coca growers earn very little, the production of coca creates poverty. Drug traffickers earn millions while growers earn almost nothing.

[Sanches] Where are the generals who attempted a military coup in 1992?

[Fujimori] Half of them have been released. The others remain in jail, serving imprisonment terms ranging from two to five years.

[Sanches] Five years after being elected without the help of political organizations, and one month after obtaining Congressional majority for your second term, what is your opinion of political parties?

[Fujimori] I think they are facing a serious crisis. The Peruvian people have condemned parties. Over the past few years, parties have shown they are unnecessary for an efficient government.

[Sanches] So what is the role of Congress?

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[Fujimori] Congress is something else. It worked improperly because of bad parties. Yet a substantial step forward has been taken. Congress is much more efficient now. It is the opposite of what it was in the past. There are no rhetoric experts, just people with training in some areas.

[Sanches] Is it less political and more technical?

[Fujimori] Yes. The concept of opposition has also changed. The opposition no longer seeks to merely raise obstacles, like it did before I closed Congress. It was impossible to govern. All government initiatives were blocked.

[Sanches] For a lot of people in many countries you are a dictator and Peru is not a real democracy. Does that bother you?

[Fujimori] No, it does not because most Peruvian people do not think like that. That is what is important for me. Whatever they may say, the people support me. There is freedom of the press, we had clean elections, we have a new Congress. If what we had in the past was a democracy I challenge critics to live in such democracy.

[Sanches] How is your privatization plan faring? Can you quote two successful cases?

[Fujimori] The privatization program is doing well. It eliminated the government's 50 percent participation in the economy. The telecommunications project allows any region with more than 500 inhabitants to have a community telephone. Another example is the public transportation service.

[Sanches] Does your Japanese ancestry help or hinder you?

[Fujimori] It helps a lot. I do not belong to the aristocratic elite. I identify with the people, in a country of so many races.

[Sanches] What kind of foreign support have you received for your economic program?

[Fujimori] We have received support from Japan, Germany, and the United States. Japan provides considerable economic support. We received $420 million to refinance our international institutions debt.

[Sanches] What country do you consider as an example?

[Fujimori] There are no examples for me. I am making my own model. I am inventing a country. It will be the leader in Latin America.

[Sanches] What is Fujimorism?

[Fujimori] It is knowing how to listen, how to talk to the people, how to solve their problems.

[Sanches] How many guerrillas have been sentenced to death since the approval of the death sentence in 1993? Have there been executions?

[Fujimori] Not one. The law has yet to be regulated. The death sentence will not be necessary. Life sentence is better. I want the death sentence to remain in the Constitution to leave the possibility open.

[Sanches] You said a couple of times that engineers are excellent presidents because they know how to administer. Is engineer Susana Fujimori, your former wife, a good administrator?

[Fujimori] No, she is terrible. She does not know anything. She graduated only because I did her examinations. I wrote her engineering thesis in her final year.

[Sanches] Soon after hearing the election results, Susana Higuchi said she dreams of a second honeymoon with you.

[Fujimori] Impossible. There is not the slightest possibility.

[Sanches] Do you intend to marry again?

[Fujimori] Yes, I am looking for a wife. I hope I will be lucky.

[Sanches] Describe her.

[Fujimori] Simple, happy, intelligent — I don't want her to be with me just because I am president — with good legs.

[Sanches] Writer Mario Vargas Llosa says in his book "Fish in the Water" that the closure of Congress was planned between the first and second voting round in 1990 by former Army Captain Vladimiro Montesinos who today heads the National Information Service. Is it true? Why does Montesinos cause so much controversy?

[Fujimori] That is not true. He causes controversy because no one knows him well. A lot of speculations are made about him. I decided to close Congress. It was the only way out and I do not regret it. Congress did not let me govern. Only my brother and a few generals who had to adopt the necessary measures knew about it.

[Sanches] What would Mario Vargas Llosa have done as president and how would Peru be now if he had become president?

[Fujimori] We would have not managed to pacify the country, he would have not curbed the inflation, and he would have not been reelected to continue his government action like I am doing.

[Sanches] Is there anything you regret in life?

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[Fujimori] Only one. Not having entered politics earlier.

[Sanches] Would you let me interview Abimael Guzman?

[Fujimori] No. I think he must remain isolated. But before he dies — in about three years time — I will allow him to give interviews.

[Sanches] Will he die in three years time? Why?

[Fujimori] He is very ill. He suffers from psoriasis and he is very depressed. No one can live long in the prison where he is. However, he will give a long interview before 2000. It will be important for history.

Uruguay

Government Opposes U.S. Bill Banning Trade Deals With Cuba

PY1905133695 Montevideo EL PAIS in Spanish 10 May 95 p 20

[FBIS Translated Text] The Foreign Ministry has announced that the Uruguayan Government opposes the draft bill currently being studied by the U.S. Congress that seeks to apply extra-territorial sanctions against companies or people that trade or have investment transactions with Cuban Government organizations.

The draft, which is called "Democratic Liberty and Solidarity with Cuba" and which was approved recently by the Hemispheric Affairs Sub Committee of the U.S. Chamber of Representatives, also penalizes transactions with enterprises that have been nationalized by the Cuban authorities especially when it involves assets expropriated from U.S. citizens. It thus prevents them from having trade relations with the United States.

Our government has made it known that it opposes this draft bill "through which it seeks to apply a domestic law outside its internal jurisdiction. As a consequence of this, whether on the basis of its wording or spirit, a country can extend its sphere of influence beyond its national borders. Thus, it would violate not only the principal of non-intervention in the domestic affairs of other states, it would also violate the pertinent GATT measures that have been continued by the WTO."

The Foreign Ministry states: "Uruguay once again reaffirms its expectations that pluralist and representative democracy will be fully established in our continent without any exceptions. It reiterates its opposition to a unilateral implementation — for political ends and as a measure of economic, trade, or financial nature — of measures against that state because it implies negative consequences that could compromise, or even prevent, a rapid and peaceful transition toward democracy within the island."

The eventual implementation of the draft bill has generated concern and adverse reactions within the international community. This indicates opposition to any measure with extra-territorial connotations.

Editorial Backs Government Stance on U.S. Bill on Cuba

PY1905154595 Montevideo EL PAIS in Spanish 12 May 95 p 6

[Editorial: "Extra-Territoriality and Lawfulness"]

[FBIS Translated Text] True to its traditional stance in previous similar cases, the Uruguayan Government — through the Foreign Ministry — opposes a bill under discussion at the U.S. Congress which seeks to apply extra-territorial sanctions against companies or people doing business with Cuban authorities or investing in that Caribbean island.

Fully substantiating its position, the Uruguayan Foreign Ministry made public its rejection of the U.S. bill — which is pompously called "Freedom and Democratic Solidarity with Cuba" — on the grounds that it cannot accept that a domestic law should be enforced extra-territoriality. The enactment of this legislation would mean — under the spirit and the letter of this law — that one nation is empowered to extend the enforcement of its laws beyond the limits of such enacting nation. In doing so, it would "violate not only the principle of non-intervention in the domestic affairs of other states, it would also violate the pertinent GATT regulations that have been continued by the WTO." The bill under discussion at the U.S. Congress brings to mind the so-called Torricelli Law which tried in 1992 to apply the principle of extra-territoriality to the U.S. embargo on trade with Cuba.

On that occasion — in an editorial published on 28 November 1992 — we voiced our outright rejection of the aforementioned law which was called "1992 Act for Cuban Democracy." The Torricelli Law boomeranged when, by a majority vote, the UNGA passed a resolution submitted by Cuba condemning the U.S. embargo on trade with that island. This resolution was passed by 59 votes for, three against, and 71 abstentions. The Cuban position thus garnered UN support thanks to that U.S. law. We now dare to forecast that support for Cuba will increase if the current bill is carried in the U.S. Congress. Besides getting nowhere, this pigheaded obstinacy to democratize Cuba only serves to force people to show solidarity with the Cuban regime and to render the U.S. position vulnerable.

The Uruguayan Government has rightly voiced its disagreement with the aforementioned bill in a clear

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and timely manner since the repercussions would affect the sovereignty of countries beyond the borders of the United States by unacceptably pretending to extend its laws from one nation to another without any prior consultation, acceptance, or international law to back it.

Venezuela

Sidor Forms Partnership With Pemeco

95SM0319A Caracas EL DIARIO DE CARACAS in Spanish 7 Apr 95 p 14

[Unattributed article]

[FBIS Translated Text] The Orinoco Iron and Steelworks [Sidor] and Pemeco, a private company owned by national and foreign capital, have signed an agreement on a strategic partnership for the construction of a direct reduction plant having a production capacity of 150,000 tons a year. It will use Sidor Arex-SBD technology and be located in the industrial area of the steel factory, opposite the old Siemens-Martin steelworks.

The estimated investment for the project will be $40 million in the first phase. By the time it reaches the fourth phase, the plant will be producing 500,000 tons a year, when the investment will amount to $300 million.

The agreement signed provides that Sidor will own 10 percent of the shares in the new partnership, and Pemeco the remaining 90 percent. Pemeco's shares will be represented by the total cost of the plant's installation, while Sidor's contribution is composed of a site 39,000 meters square located in the Orinoco Industrial Park, in addition to other property such as the Audiovisual Convention Center structure, central cafeteria, and a housing complex in Puerto Ordaz' Villa Antillana development.

Sidor President Teolindo Yanez said the signing of this strategic partnership agreement demonstrates that there are Venezuelan businessmen interested in investing in the region who believe in Guyana and, in this case, have confidence in Sidor and the technology developed by the company.

"Furthermore, this is the first sign that strategic partnerships which the National Government are promoting do have a future in Guyana," Yanez said.

For his part, Pemeco President Luis Dona noted that this project will not be the only one in which they will participate, since they are promoting the Arex technology all over the world and are sure that "more important investments will come in."

Jose Francisco Zurita, president of the Venezuelan Corporation of Guyana [CVG], said such undertakings show that the National Government and CVG are determined to carry out the economic policy of the strategic partnerships and privatization.

Fesilven Will Contribute Additional 365 Million

CVG-Fesilven's furnace 1 will begin operating on 30 April, marking 66-percent completion of the plant's Expansion and Modernization Project. The project will give the plant a production capacity of 80,000 tons a year, enabling it to generate additional income of roughly 365 million bolivars a year based on an investment of 187 million.

The 95-percent upgrading of the furnace will raise production from 50 to 75 tons a day and result in the previously described economic benefits.

The Expansion and Modernization project for CVG-Fesilven has already upgraded furnaces two and three in order to raise the production capacity from 55,000 tons a year of ferrosilicon to the aforementioned amount. In its final phase, the program envisions the construction of a fourth furnace in order to diversify production and produce 18,500 tons of metal silicon a year.

MAS's Ochoa on Pacts With Convergence

95SM0319B Caracas EL NACIONAL in Spanish 12 Apr 95 p D3

[Article by Gustavo Azocar]

[FBIS Translated Text] San Cristobal—Enrique Ochoa Antich, national general secretary of the Movement Toward Socialism [MAS], said the Solidarity Alliance agreed upon by all political organizations supporting the presidential candidacy of Rafael Caldera will not be stopped by any personal ambitions that a few regional leaders in some parts of the country may be harboring.

Ochoa Antich said the "orange tent" (MAS) will unite with Convergence in almost all the Venezuelan states.

"I want to put an end to the controversy that has arisen with the president of the MAS-Tachira, Elbano Carrillo, whom I consider to be an important leader in that region. Nevertheless, I must also say that the Solidarity Alliance will not be halted by the personal ambitions of any leader and that the pact with Convergence will not only exist in that area, but in nearly all the states of the country, where talks underway with the tricolor party [Convergence] are excellent and have great potential of victory."

He noted, "The pact with Convergence is a fact. It is a decision backed by the National Committee that cannot be disobeyed or underrated by regional leaders who do not seem to have a clear idea of the importance

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to the country of a united political movement that can defeat and remove from power once and for all such traditional parties as the AD [Democratic Action] and Copei [Social Christian Party]."

He emphasized, "The idea that Deputy Walter Marquez has no popular support is totally erroneous. Marquez is a born leader with regional and national drawing power. At no time has it been suggested that we impose that candidacy. What we have proposed is that if any option can guarantee a victory, it is precisely that of Walter Marquez."

Referring to Carrillo directly, Ochoa Antich said, "The regional core cannot pretend to impose its line of action on the national leadership of a party. They have tried to make people think that internal democracy consists of disobeying the party's authorities, going so far as to try to go against express party provisions clearly prohibiting any pact with the AD or Copei."

He noted, "The candidacy for the leadership of Tachira will have to be chosen in accordance with the agreement signed with the other parties, which provides that a survey must be conducted. If Walter Marquez wants to be governor, he will have to be evaluated by the poll, and if Carrillo wants to be a candidate, he will also have to include his name in that survey."

Decentralization Reforms Discussed

95SM0319C Caracas EL DIARIO DE CARACAS in Spanish 21 Apr 95 p 20

[Article by Nadia Perez]

[FBIS Translated Text] Extension of the term of regional leaders, indefinite reelection, and reconsideration of Article 24 of the National Constitution establishing the dismissal of state governors by the censure of Payroll and Accounting were among the proposals formulated yesterday at the seminar on reform of the Law on the Election and Removal of Governors and the Law on the Term of State Officials.

Participating in the event, which was jointly sponsored by the Presidential Commission for State Reform and the Deputies Regional Development Commission, were Decentralization Minister Jose Guillermo Andueza, Arnaldo Arocha, president of the Association of Governors of Venezuela [AGV], constitutional and electoral experts Carlos Ayala Corao and Manuel Rachadell, and other speakers.

AGV President Arnaldo Arocha and Copre [Presidential Commission for State Reform] President Ricardo Combellas both spoke in favor of extending the term of regional leaders. Both consider the current three-year term too short a time to accomplish solid goals.

Andueza does not support such an extension, arguing that to increase the term of governors to four years would mean the possibility that reelection could extend the term to eight years.

Arocha also expressed support for indefinite reelection, opposed not only by Andueza, but also the president of Copre, deeming that the country's institutional election framework is not the most reliable for implementing such a measure. "At least, that is how the people feel."

Another of the issues discussed at the seminar held in the chamber of the former congressional presidents was that of the removal of governors by the Legislative Assemblies. State governors are of the opinion that the matter must be reconsidered in a future reform of the constitution.

Constitutional expert and Andres Bello Catholic University Professor Carlos Ayala Corao explained that because of its constitutional nature, the issue of the removal of governors can only be discussed through reform of the constitution.

For that reason, Ayala Corao proposes the possibility of regulating Article 24 of the constitution, which provides for the removal of governors until a constitutional reform is carried out.

To that effect, he proposes the establishment of preliminary periods for holding a session at which the Payroll and Accounting censure would be accomplished in order to pave the way for possible agreements.

The constitutional expert also favors granting the governor in question the right to speak at the Legislative Assembly session at which the Payroll and Accounting censure would be decided.

Yesterday's seminar was called to a close by Gonzalo Perez Hernandez, second vice president of the Congress.

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